



RE-IMAGINING EUREKA FORBES

Confident Start. Exciting Future.



ABOUT THIS INTEGRATED ANNUAL REPORT

Our inaugural Integrated Annual Report for 2023-24 strives to present a comprehensive overview of our financial and non-financial performance, marking a significant step towards enhanced transparency and our commitment to positive change for all stakeholders of Eureka Forbes Limited.

BUILDING OUR CAPITALS



Financial Capital



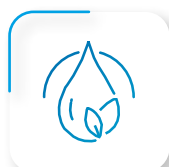
Intellectual Capital



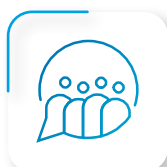
Manufactured Capital



Human Capital



Natural Capital



Social and
Relationship Capital

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To view this report online and for further information, visit our website:
www.eurekaforbes.com

REPORTING PERIOD

The Integrated Annual Report covers the period from April 1, 2023 to March 31, 2024, and includes an exhaustive analysis of historical data trends wherever applicable. It includes all aspects of our business operations and strategy. It also explicates the Company's business model and overall performance, along with the outcomes of our actions and performance during the reporting period.

REPORTING BOUNDARY

This report extends beyond financial reporting, and includes non-financial performance, opportunities, risks and outcomes, which relate to our key stakeholders and significantly impact our ability to create value. All the information presented in this report pertains to the consolidated operations of Eureka Forbes Limited unless otherwise specified.

FEEDBACK

We seek regular feedback from our stakeholders to enable us to address their queries and provide clarifications on material topics that capture their key concerns. Any feedback, suggestions, or stakeholder concerns can be communicated to us via email at compliance@eurekaforbes.com, or sent to

Eureka Forbes Limited, B1/B2, 7th Floor, 701, Marathon Innova, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400013, India.

AGREED STANDARDS (NATIONAL & GLOBAL)

The non-statutory section of the report has been prepared based on the guiding principles and content elements of the International Integrated Reporting Council's (IIRC) Integrated Reporting <IR> framework, now part of the IFRS Foundation.

The statutory and financial section of the Report has been prepared in accordance with:

- Companies Act, 2013 (and the Rules made thereunder)
- Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- Indian Accounting Standards (Ind AS)
- Business Responsibility and Sustainability Reporting (BRSR) based on the National Guidelines for Responsible Business Conduct (NGRBC)
- Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI)

FORWARD-LOOKING STATEMENTS

In this report, we have disclosed information to help investors and shareholders comprehend our prospects and take informed investment decisions. This report, and other statements – written and oral – that we periodically make, contain information that lists out anticipated results based on the Management's plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance, in connection with any discussion of future performance. We cannot guarantee that all projections will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should any known or unknown risk or uncertainty materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should keep this in mind. We undertake no responsibility to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

BUILDING CATEGORIES - OUR DNA

INTRODUCING NEW CATEGORIES AND CHANNELS TO INDIA

With category creation and consumer education embedded in its DNA, Eureka Forbes Limited is a brand rooted in values, and trusted for its innovative and impactful health and hygiene solutions. The first direct to consumer company in India, it has a wide range of water purifying and cleaning offerings, crafted to make a positive transformation in the lives of the consumers. The trust gained over years has made us market leader in the categories of our presence.

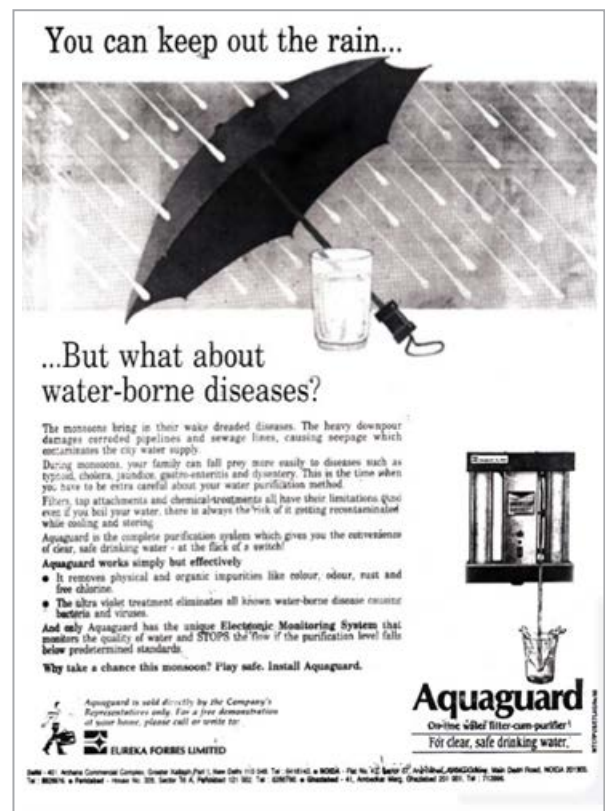
1982

Vacuum Cleaners - India's first



1984

Water Purifiers



TAKING THE LEGACY FORWARD: PIVOTING BACK TO CONSUMER EDUCATION TO BUILD CATEGORY

We are gearing up to take our proud legacy forward. With this ambition, we are continually augmenting our proposition to create a product bouquet that resonates with the deepest needs and aspirations of the consumers. Our award-winning flagship water purifier brand, Aquaguard, and the Forbes vacuum cleaners have and will continue to partner our customers in their journey towards happier, healthier and safer lives.

Jab Nal Se
Kapda Hatega,
Tabhi Sar ka
Kapda Hatega



TO REMOVE THIS CLOTH FROM YOUR CHILD'S FOREHEAD

REMOVE THE CLOTH* FROM THE TAP

Bring home an Aquaguard at ₹6999*

Available in RO, RO+UV and UV variants

Removes 99.99% unseen germs

6 litre large storage tank

PAANI SAAF TOH HUM SAFE

Terms and conditions apply. *As per standard testing conditions, water strained through cloth show 0% reduction in E.Coli, MS2 Phage. *Prices are indicative and may differ as per model and state.

EUREKA
FORBES
GENUINE
SERVICE

Aquaguard Genuine Service and Filters

Because Fake Filters can cause Real Illnesses

Starting at ₹599/- per year

[Book Now](#)



Genuine Service

OUR CONSUMERS ARE CHANGING. AND SO ARE WE.

Our innovations based on deep insights will meet the needs of the modern consumer. Adapting to evolving trends, aspirations and consumer profile will form the cornerstone of this exciting journey. It is and will be our continuous endeavour to provide every Indian with access to safe and healthy water, along with clean earth and pure air.





ABOUT EUREKA FORBES LIMITED

A household name in water purifiers, vacuum cleaners and air purifiers in India, Eureka Forbes has been making a positive difference to millions of lives with its unique solutions for over four decades.

DIVERSIFIED PRODUCT PORTFOLIO

With our pulse on the transforming needs of our customers, and our deep understanding of the evolving market trends, we have progressively built a wide and diversified bouquet of products. Our range spans all the three categories of water, cleaning and air and are designed not just to serve the immediate needs of our customers but to deliver a lifetime of health and happiness. Our presence in highly underpenetrated categories gives us immense headroom for growth, which we intend to capitalise on the back of our competitive strengths. We have strategically been focussing on addressing category barriers to expand our penetration, with focus on increased affordability, building relevance and improving availability.

Our innovation pipelines are robust and we have launched several new and industry first products to meet the evolving consumer need – in water, cleaning and air.

Water Purifiers

Our trusted water purifiers are sold under the brand name Aquaguard

Designed with Reverse Osmosis (RO) and Ultraviolet (UV) technologies, they deliver the ultimate promise of healthy, clean and safe drinking water. They are crafted to cater to diverse customer requirements and more than 21 different water conditions.





The launch of Aquaguard Champ & Aquaguard Delight at affordable prices starting at ₹ 6,499 drove immense volume growth and brought in first time users in the water purifier category.

Our comprehensive range of vacuum cleaners encompass canister, handheld, wet & dry, upright and robotic vacuums. These are designed to clean different types of surfaces in dry or wet & dry modes. Our innovative robotic vacuum cleaners deploy advanced technologies to add a new layer of comfort to the cleaning experience of our customers.



Air Purifiers

Our air purifiers are known by the brand name Forbes

Our air purifiers are known by the brand name Forbes. Our products have been devised with Surround 360 Air Intake Technology to fast purify the indoor air and protect the users against airborne diseases. They are equipped with True HEPA 13 filters and are suitable for use in homes, offices and semi commercial spaces. The Forbes Air Purifier comes with advance 4 Stage Filtration system that eliminate 99.97% of particulate matters.

OMNI CHANNEL PRESENCE

We are India's first Direct – to – Consumer (D2C) Company. Our Unique Direct Sales Network gave us Privileged Access to people's homes and we continue to retain that trust. This channel and the associated relationship remains unique to us.

We have adapted over the years to the evolving Go To Market landscape and now are present across all trade formats with a balanced revenue profile.

Our channels compliment our product portfolio and provide us the ability to drive category creation, replacement and cross selling.



4200+ Frontline Teams, **100K+** Households Met Every Month



Partnerships with **70+** National and Regional Modern Trade Accounts



Available in **20,000+** Outlets Across **2400+** Towns

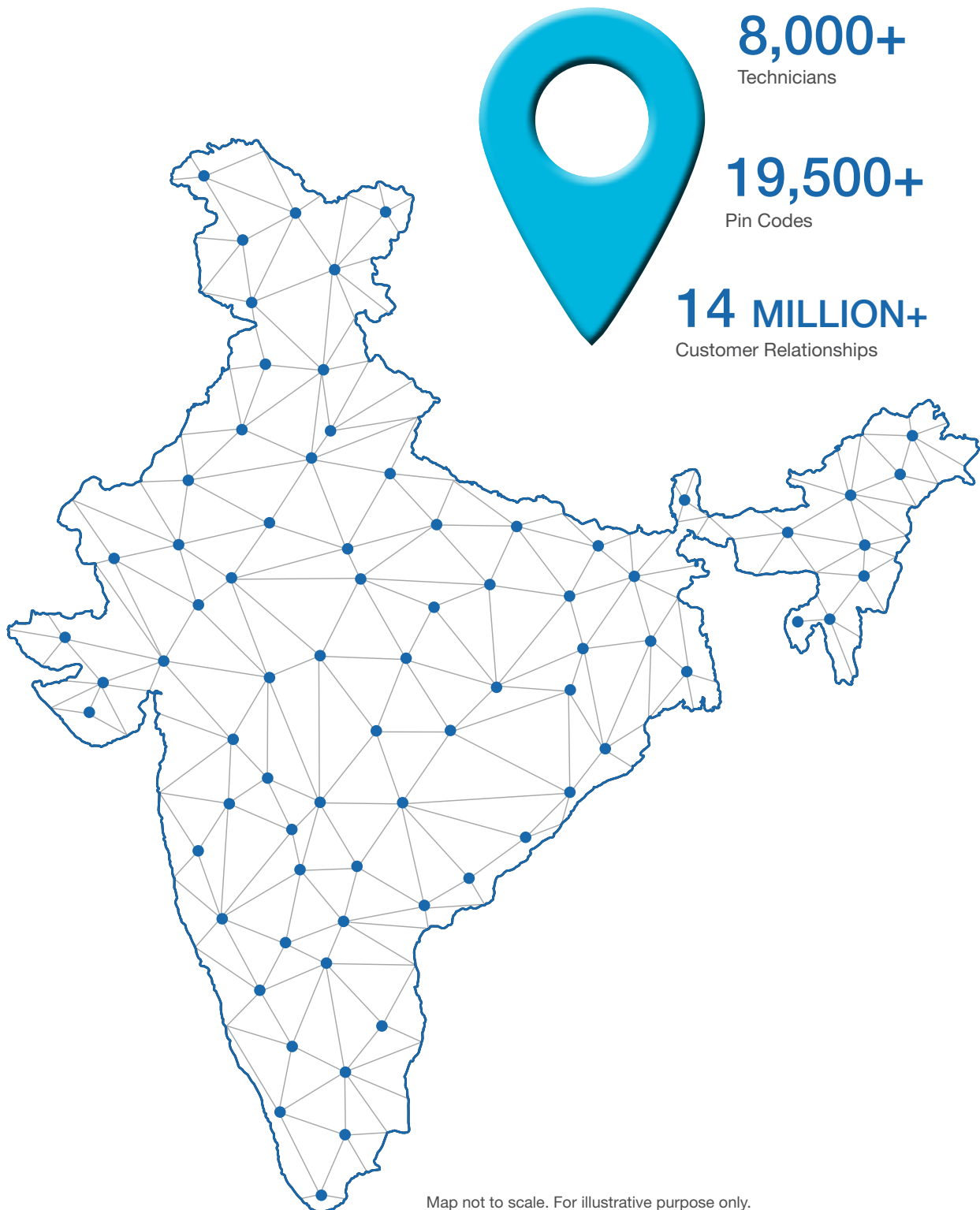


EXTENSIVE SERVICE NETWORK

Our deep and well spread out service network built over 4 decades gives us an ability to respond fast and is also a source of competitive advantage.

Our partners and the large network of service technicians provide the backbone of this network and have been instrumental in delivering highest ever NPS in FY24.

We are investing in technology to modernise this network to meet the aspirations of the new age customer and to strengthen the relationships with our partners.



LONG LASTING CUSTOMER RELATIONSHIPS

As a consumer-centric business, we prioritise customer service and experience in all our offerings. We remain focussed on elevating our customer experience to best in class, through premium innovations and deeper category penetration across our product lines. Unmatched quality of products, coupled with on demand service and customer convenience in ordering products or services, are the levers of our customer proposition.

A personalised touch makes each of our services an experience to cherish and an opportunity to transform the entire customer lifecycle. We have initiated several steps to strengthen direct relationship with our customers.

With the aim of improving service delivery and fostering longer term customer relationship, Digital based complaint and Annual Maintenance Contract (AMC) sales through our Direct-to Consumer channels and digital assets have been scaled up exponentially.

- The user-friendly Eureka Forbes Service App offers faster booking convenience.
- Our service technicians are certified experts, ensuring seamless and high quality assistance.
- Easy accessibility of our service centres ensures hassle-free customer experience.



100K

Households met every month



CUSTOMER FIRST AND ALWAYS



Leverage customer insights and market understanding to create customised solutions, centred around a 'Customer First' approach.



Transform our customer experience through greater **Control and Visibility** of our services.



Digital integration has enabled us to enhance our services, and we also train our partners to ensure uncompromising customer orientation.

REIMAGINING EUREKA FORBES

Confident start. Exciting future.



A year of new beginnings.
A time for reimagining
the future.



FY24 marked a turning point
for Eureka Forbes, as it
accelerated its transformation
into a direct-to-consumer health
tech powerhouse.



OUR VISION

**Provide Every Indian Access to Safe & Healthy Water,
Clean Earth & Pure Air**

Re-imagine EFL as a
D2C Health and Hygiene Tech Leader -
Provide Every Indian Access to Safe & Healthy water,
Clean Earth & Pure Air

Grow Water



Penetration
Premiumisation

Innovations

Expand Portfolio



Convenient
Cleaning
Air

Execution
Excellence

Excel in Service



Customer
Experience
Lifetime Value

Productivity

Build D2C Platform



Convenience
Commerce

Capability

PENETRATION

The low starting base of water purifier penetration at 6% provides a significant opportunity for growing this category manifold. The need is universal. We are Re-Imagining the levers of Affordability, Consumer Education and Access to tap into this opportunity. Focus is on non users through launch of products at relevant price points and backed by category creating campaigns. Expanding distribution to more outlets and leveraging e commerce will be critical in driving the lever of access. Our early interventions have been promising and have led to strong volume growth on the back of new consumer entrants to the category.



Aquaguard CHAMP



Aquaguard DELIGHT NXT



AFFORDABILITY

Launch of Aquaguard Sure & Aquaguard Delight at ₹ 6,499



RELEVANCE

Category Creating Campaign Targeted at Cloth Filter Users



ACCESSIBILITY

Distribution Expansion



Strong
Volume Growth
HIGHEST-EVER*



70%
of New Economy
SKU Buyers Were New
Category Entrants



7000+
New
Category Outlets

Source: Consumer Research. *In FY24, Covid Adjusted.

PREMIUMISATION

A growing economy, higher disposable incomes, greater health awareness and changing lifestyles provide us an opportunity to Re-Imagine and create additional use cases. Water purifiers can be more than just purifiers. Our innovations are aimed at addressing the diverse needs of customers through propositions covering aesthetics, convenience and value added water. Innovations will enable tapping into the significant opportunities arising from reducing the replacement cycles and upgrading the large customer base.



Average Replacement Cycle of
6-7 YEARS



LARGE VINTAGE
Installed Base

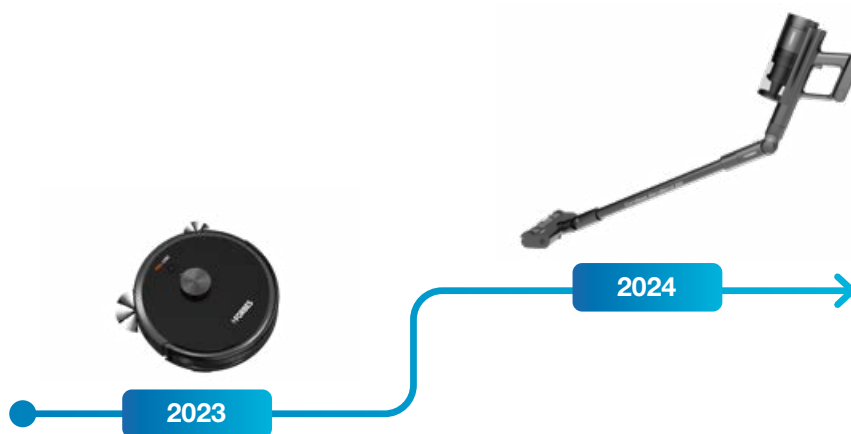
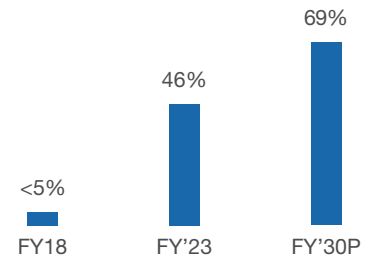


VACUUM CLEANING AND AIR

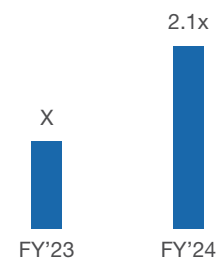
Convenient cleaning and changing lifestyles provide the necessary foundation for this category to scale up. Newer segments like robotics are witnessing an inflection point and provide a chance to Re-Imagine this category.



% Value Contribution of Convenient Cleaning to Market



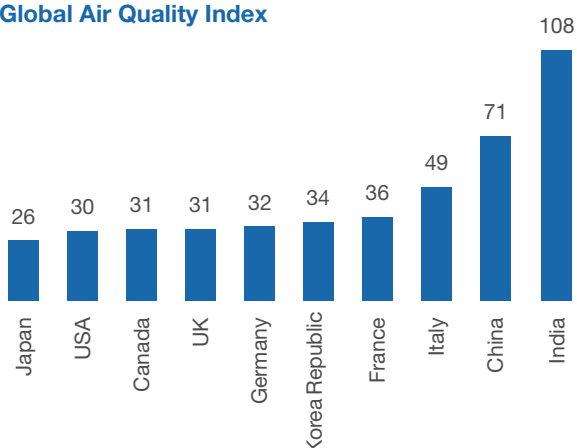
EFL Convenient Cleaning Revenue



Given the poor air quality and growing awareness of this being a pan country challenge, the Air category provides a significant long term opportunity. Our initial aim will be to develop deeper consumer insights to help design relevant consumer propositions.

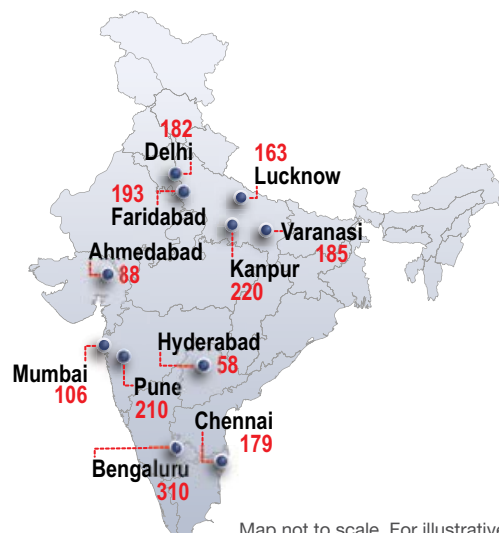
83 Out Of 100 Most Polluted Cities Globally Are In India

Global Air Quality Index



Source: IQAir

Poor Air Quality is Not Just A North or a Winter Issue



Map not to scale. For illustrative purpose only.

CUSTOMER SERVICE

A delightful customer experience provides us an opportunity to create a life long relationship and is a source of value creation. Our transformation initiatives Re-Imagine diverse aspects – ease and speed of service, giving control to the customer, choice of service propositions and protecting consumer health. Our investments will be focussed in digitisation and infrastructure upgrade.

FORTIFYING SERVICE NETWORK



DIGITISING SERVICE EXPERIENCE



IMPROVING SPEED & QUALITY OF SERVICE

GATHIMAN




Our Customer Service Has Improved Significantly

Highest-ever **NPS SCORES**

>70% of Complaints Attended To In 1 Hour


Initiatives: Service Business

Awareness




Service campaign

Authentication



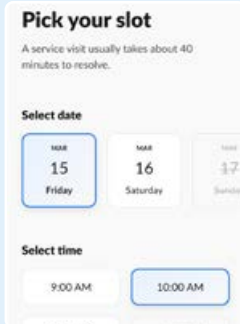
Filter Design with QR Code

Affordability



Tiered AMC

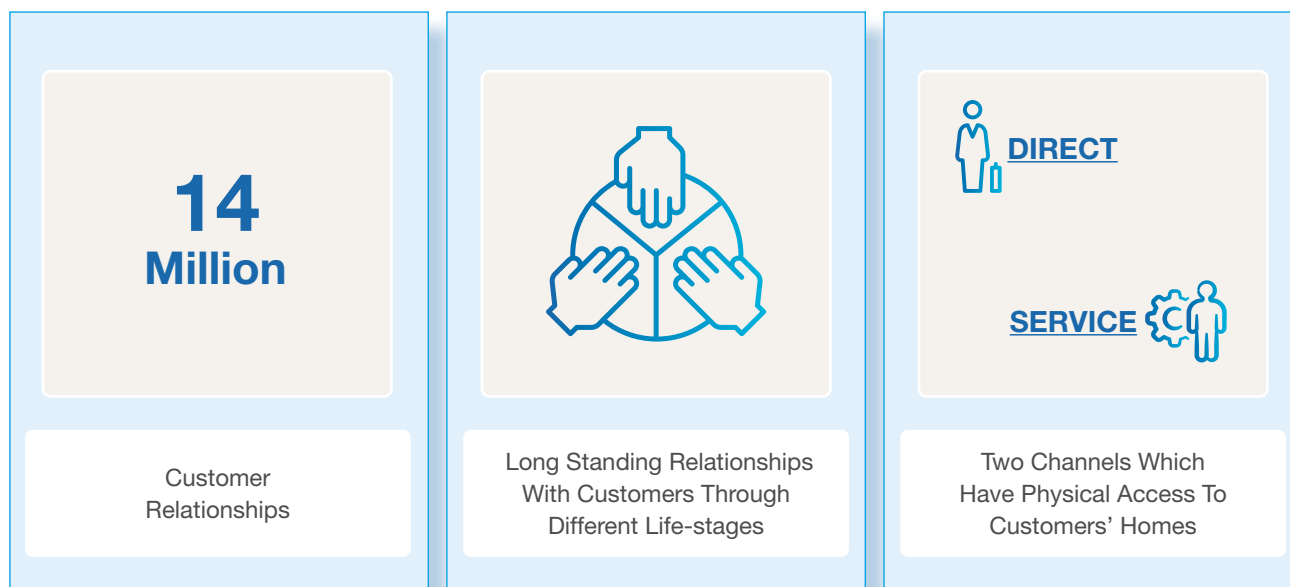
Access



1-Hour Service

DIRECT TO CONSUMER (D2C)

We were India's first Direct to Consumer (D2C) Company and the trust gained by our EuroChamps over decades has led to strong customer relationships. We are Re-Imagining Direct in a Digital First way. Our focus is to build new digital assets, enhance seamless UI/UX interface and use the power of personalisation and data science to improve customer service and unlock growth through a non linear GTM model.



CONVENIENCE

Easy Complaint
Booking & Tracking

CUSTOMISATION

Personalised Offers
for AMCs

COMMERCE

Cross-selling &
Replacement Selling



1 Million+

Active App Installed Base

76%

Complaints Booked Digitally

BUILDING CAPABILITY

People will be at the heart of this transformation. While preserving our legacy knowledge and business understanding, we are Re-Imagining our capabilities and culture based on owners mindset and customer obsession.

1 Building A New Leadership Team

2 Acquire New Age Capabilities

3 Structure To Enable Strategy

4 Seed & Embed New Culture Codes

5 Driving Shared Ownership



80% of Our Top Two Levels Are New



Engineering, Product, IoT, Data Science



Silos Broken, Regions Empowered



Customer Centric, Agile, Collaborative



100% Of Managers Have Stock Options

CORE VALUES

**Customer Centricity**

Don't just satisfy, delight.

Commitment

Once given, always adhered to.

Diversity

Welcoming and celebrating differences.

Respect

Give it, to get it.

Excellence

Forever striving to learn and improve.

Innovation

If there's a better way to do it, it will be found.

Integrity

Doing the right thing, the right way.

Responsiveness

Moving with the speed of right.

Responsibility

Not just promise, deliver.

Communication

Transparent, open and two-way.



LEADERSHIP MESSAGE

CHAIRMAN'S MESSAGE

Dear Shareholders,

I am pleased to present before you the first Integrated Annual Report of Eureka Forbes.

Over the last two years, I have written to you about the transformation journey that we have embarked upon.

As I reflect on the year gone by, it gives me great satisfaction to share that the impact of the transformation efforts is now increasingly visible in business outcomes.



FY24 PERFORMANCE RECAP

Our transformation strategy 'Udaan' is proving to be a game-changer for the Company, with considerable progress made on several fronts during the year.

FY24 was the first full year of our transformation journey, and it was in many ways a pivotal year for the Company. It was a year where not only did we decisively reverse the business trajectory compared to our long-term trends but also deployed strong building blocks for the future.

After a long period of declining volumes, the Company has reported four successive quarters of broad-based volume growth, across both water purifiers and vacuum cleaners.

Growth in our continuing business went up from 2.5% in H1 to 14% in H2, leading to a full-year growth of 7.9%. This has reinforced our belief in the growth potential of the categories in which we operate.

In terms of profitability, adjusted EBITDA margins for the year increased from 6.3% in FY23 to 10.3% in FY24, making it the first time that the Company crossed the double-digit mark.

This shift from a low single-digit margin profile at which the business had been operating for years to a double-digit margin was a key accomplishment of the year.

Our enhanced margin profile also gives us the headroom to further strengthen our growth investments as we go ahead.

I would also like to highlight here the strong cash flow generation that enabled Eureka Forbes to close the year with a cash surplus of ₹ 108 crores, as compared to a net debt of ₹ 50 crores at the end of FY23. Profit After Tax increased 435.5% YoY to ₹ 91.5 crores, from ₹ 17.1 crores in FY23.

Hence, on all key outcomes of growth, margins and cash, the business made a step change vs past performance.

THE POTENTIAL

The future looks exciting and packed with unlimited possibilities. The low penetrations of our product categories provide significant headroom for growth ahead. This will be further enabled by some very powerful macro factors like urbanisation, more women in the workforce, increasing importance being given to health and hygiene, growth in electrification, improved availability and access to piped water and increasing disposable incomes. In addition, we are also seeing an increasing inclination amongst consumers to upgrade their lifestyles and spend on premium and differentiated products.

We firmly believe that your Company is well placed to seize these opportunities.

Our deep strengths - strong brands, omni-channel capabilities, in product innovation and in digital - provide the necessary foundation for growth. We will bring to that a boldness of vision and imagination to build a Eureka Forbes that will grow and thrive over the next forty years and more.

RE-IMAGINING EUREKA FORBES

Historically, Eureka Forbes has been built as a Company that connects directly with customers, through our Direct Sales team and our service network. We will contemporise that outreach using Digital technology and the power of data to re-fashion Eureka Forbes as a new age D2C Company.

We will bring a step change in our selling capabilities and our service levels.

Our focus will be to both expand our distribution and also upgrade our in-store presence across formats. We will also continue to invest in our Direct Sales channel and use it to drive sales of new concepts and our premium products.

Service transformation will be a key focus area in the second phase of our transformation journey ahead. We will elevate our customer experience by strengthening our service infrastructure and improving both the speed and quality of service.

Under-pinning these will be a big push on Technology and digitisation which will be areas of sharp focus. We will build new age digital capabilities in all aspects of our business – from customer facing to the back-end.

In addition, we will bring deep consumer insights and combine that with the power of science and technology to continue to bring a number of differentiated and cutting-edge innovations that will delight our customers.

All the above initiatives will be key priorities as we embark in the 2nd phase of our transformation journey. Driving change in a Company with a four-decade legacy is an exciting and step-by-step process. Our breakout from our past performance and our strong plans make me confident about the future and give me conviction that Re-imagining Eureka Forbes will restore its historic and rightful glory. The trust reposed by you and our various stakeholders gives us the energy to be bigger and better as we go ahead. I look forward to your continued support.

Regards,

Arvind Uppal
Chairman

LEADERSHIP MESSAGE

MD & CEO'S MESSAGE

Dear Shareholders,

I am pleased to share with you my reflections on our exciting transformation journey “Udaan’ for FY24.



What is needed therefore is nothing less than a complete Re-Imagining of Eureka Forbes.

RE-IMAGINING EUREKA FORBES – DRIVING ACCESS

Powered by our strong customer-centric focus, we made significant interventions during the year to promote product affordability, access, authentication and awareness.

Aquaguard Sure & Delight were launched at an attractive price point of ₹ 6,499/-. On the service side, the launch of tiered and segmented AMCs helped reduce the entry barrier for customers by offering AMCs at prices as low as ₹ 599.

Between them, we have significantly lowered the total cost of ownership which has led to strong volume growth for us in FY24.

RE-IMAGINING EUREKA FORBES – DRIVING INNOVATION

We launched a number of new industry-first innovations across all the three categories of Electric Water Purifiers, Vacuum Cleaners and Air Purifiers. We rolled out several innovations in H2 of FY24 on the back of our targeted investments in R&D. Amongst these were the Aquaguard SlimTech range and the Aquaguard Blaze Insta Hot product in water, and the Forbes Z series and Forbes Robotics range in vacuum cleaners.

Premium and contemporary designs catering to the evolving lifestyle aspirations of our customers further powered our innovation thrust during the year.

The new launches and designs were backed by several innovative campaigns, which led to a massive scale-up in Eureka Forbes' brand visibility and customer addition. Our 'Nal Se Kapda' campaign was directed at driving category penetration, and our research endorsed the success of the promoting, showing that more than 70% of the customers acquired were first-time category entrants. Our campaign on robotics also helped drive significant growth in the segment. In addition, our campaigns on Aquaguard Superio Stainless Steel and on the Slimtech range were noticed and liked by consumers.

RE-IMAGINING EUREKA FORBES – DRIVING CUSTOMER EXPERIENCE

Customer service was another key priority area for the Company and we launched several initiatives to enrich customer experience. The service expectations of today's customers are higher and the benchmarks are category-agnostic. Taking this into consideration, we targeted an industry-first strategy of one-hour service under our project

Eureka Forbes was started more than four decades back with a vision to touch and improve the lives of our customers and their faith in us has made Aquaguard an iconic Indian brand. We are now tasked with the once-in-a-lifetime mandate of transforming the Company and making it future ready for the next few decades.

FY24 was an important year in our journey and marked the passage of the first phase of our transformation where we laid the foundations for the future.

Before I speak about the outcomes, it is important to understand the principles and approach of this transformation.

EFL is an organisation with a rich four-decade legacy and one with exciting possibilities ahead of it. However, to truly unlock this potential requires much more than incremental improvements or tweaks. Above all, it requires us to think boldly, to build on our deep legacy strengths and then to envision a future where these are deployed.

Gatiman. Consequently, more than 70% of complaints now get resolved in an hour.

Recognising the risk to consumer health posed by unauthorised service operators, we launched, for the first time ever, a campaign on Genuine Eureka Forbes Service, aimed at educating and protecting our customers from fake filters and fake AMC sellers. The launch of new distinctive filter packaging with a QR code further contributed to driving the awareness and adoption of genuine Aquaguard service and filters.

We have also covered significant ground in terms of increasing our service capacity as well as our service network and service infrastructure.

RE-IMAGINING EUREKA FORBES – DRIVING DIGITAL

Digitisation emerged as a major tool to drive customer delight and the Company made substantial investments in upgrading its digital assets to make them more customer-friendly. This has led to a significant step-up in our digital customer engagement, with 75% of our customer engagement taking place online (through our app and website) in FY24 as against less than 30% in the previous fiscal.

Upgradation of our app and deployment of UI/UX made it easier and more convenient for our customers to buy AMCs online, leading to a significant increase in our online D2C AMC sales

We have established a centralised digital platform for all our technicians. We have also shifted to digital invoices, so that the customer is assured of the genuineness of Eureka Forbes AMC purchased.

REIMAGINING EUREKA FORBES – REBUILDING OUR CAPABILITIES

In order to power our transformation, it was critical to strengthen and build some critical capabilities. Towards that, we invested in increasing our team and capabilities in R&D, Digital, Engineering, Product Management, Data Science and Category Marketing.

Many of these new age capabilities have made us future-ready and will help us leverage the exciting opportunities that lie ahead of us.

REIMAGINING EUREKA FORBES – OUR APPROACH FOR THE TRANSFORMATION

Given the long term challenges in the business, our approach has been tailored to aim for outcomes over different phases. In the 1st phase we just concluded, our focus was on addressing certain structural challenges.

These challenges included long term trend of no growth in volumes, rebuilding our innovation funnel, achieving threshold level of profitability and to improve cash generation. Our other area of focus was on investing for and creating necessary capabilities and building an aligned and energised organisation to drive the transformation. I am particularly pleased by our industry-first ESOP plan for all managers launched during FY24. All our managers are now owners of the Company.

I am glad to share that on all the above parameters, we have been able to achieve visible positive outcomes. We have had several quarters of sustained volume growth, a double digit adjusted EBITDA margin profile and have now become a cash surplus Company. While we have achieved these outcomes, we have also made significant investments in our foundational capabilities, the early results of which are visible in our innovations and will be critical as we go ahead.

FY 24 PERFORMANCE – EARLY RESULTS OF PHASE I OF OUR TRANSFORMATION

Beyond the specific numbers, the most important outcome has been the reversal of several long term trends in the business and certain structural gaps being addressed. The impact of our interventions have been most visible in product business growth, margins and cash position.

After a prolong period of no volume growth, FY24 witnessed sustained volume growth and was broad based and also gained momentum during the course of the year with a 2.5% growth in H1 stepping up to 14% in H2. Operating efficiencies drove margin accretion and cash generation.

The FY24 numbers were the overt demonstration of the latent capabilities we efficaciously built and nurtured during the year. Our transformation-led 'Udaan' strategy completed its first full year of execution and our change initiatives gathered momentum, propelled by our proactive efforts during the year. The above outcomes, besides providing us with a strong foundation also give us the confidence in our strategy and execution as we step into phase II of this transformation.

LOOKING AHEAD: PHASE II OF UDAAN TRANSFORMATION

Transformation, as we all know, is not a one-stop destination but a continuous journey. At Eureka Forbes, we are continually scaling our transformational initiatives to build on our future-readiness. As we step into the next phase of this journey, our approach will be to preserve and build on the outcomes of phase I and target specific areas and outcomes in phase II. Our focus now will be on sustained and profitable growth enabled by increased growth spends and operating efficiencies and leverage.

While we drive these outcomes, our guiding principle will be to stay focused on the long term to create long term value for our stakeholders.

I am confident that with the energy from the outcomes achieved so far and disciplined execution of our strategic agenda we shall scale new heights of excellence and growth. We look forward to the continuing support and trust of our customers, people, partners, investors and shareholders as we embark ahead on our progressive journey.

Our transformation flight Udaan has reached an initial milestone but there is more to come as we take off the flight for the next phase. Stay strapped in....the best is yet to come.

Regards,

Pratik Rashmikan Potia
Managing Director & CEO

VALUE CREATION MODEL

CREATING VALUE THROUGH
OUR ACTIONS

CAPITALS ENGAGED



Financial Capital

Sustainable Profitable Growth,
Long Term Value Creation



Intellectual Capital

Fostering Knowledge,
Stimulating Innovation



Manufactured Capital

Efficient, Scalable and
Responsible Manufacturing



Human Capital

Building a Future Ready
Organisation



Natural Capital

Nurturing a More
Sustainable Future

Social and
Relationship Capital

Forging Strong Bonds Rooted in
Mutual Trust

INPUT

- Equity paid capital : ₹ 193 Crores
- Net surplus : ₹ 108 Crores

- Doubling of R&D spends
- Digitisation investments :
New customer app
- New consumer campaigns targeted
at non user

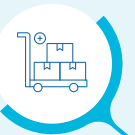
- Manufacturing units : 2
- Warehouses : 23

- Employees : 2,633
- Training hours : 8,646
- 100% managers on ESOP

- ISO 14001 Environment Management
System Certificate
- 100% water recycling

- 100% utilisation of CSR budgets
- Partnerships with NGO

Procurement

Research and
Innovation

Culture



Customer Centricity



Agility



OUTPUT

Financial Capital

- Revenue : ₹ 2,189 Crores
- 12.7% product revenue growth
- Adj. EBITDA : ₹ 226 Crores at 10.3%; + 71.9% YoY

Intellectual Capital

- 5 product launches
- +1mn active installed app base
- App rating improved from 1.8 to 4.3

Manufactured Capital

- Zero fatalities at manufacturing sites
- Reduced cost of production
- 3.96 Inventory Turnover Ratio
- Green Gold Certificate

Human Capital

- 0.31% of revenue spent on health, safety and well-being
- Owners mindset

Natural Capital

- Zero Liquid Discharge (ZLD) at both manufacturing facilities

Social and Relationship Capital

- 10 Schools in Satara District Benefited
- 2500 students and teachers impacted

**FINANCIAL CAPITAL**

SUSTAINABLE PROFITABLE GROWTH, LONG TERM VALUE CREATION

At Eureka Forbes, we have strategically aligned our business approach to optimise the allocation of financial capital, ensuring long term value creation for our stakeholders. Simultaneously, we are consistently reinforcing our financial foundation to drive both profitable and sustainable growth for the company. Our robust financial management processes ensure judicious utilisation of funds to steer sustained growth and long-term sustainable business operations.

CREATING STAKEHOLDER VALUE

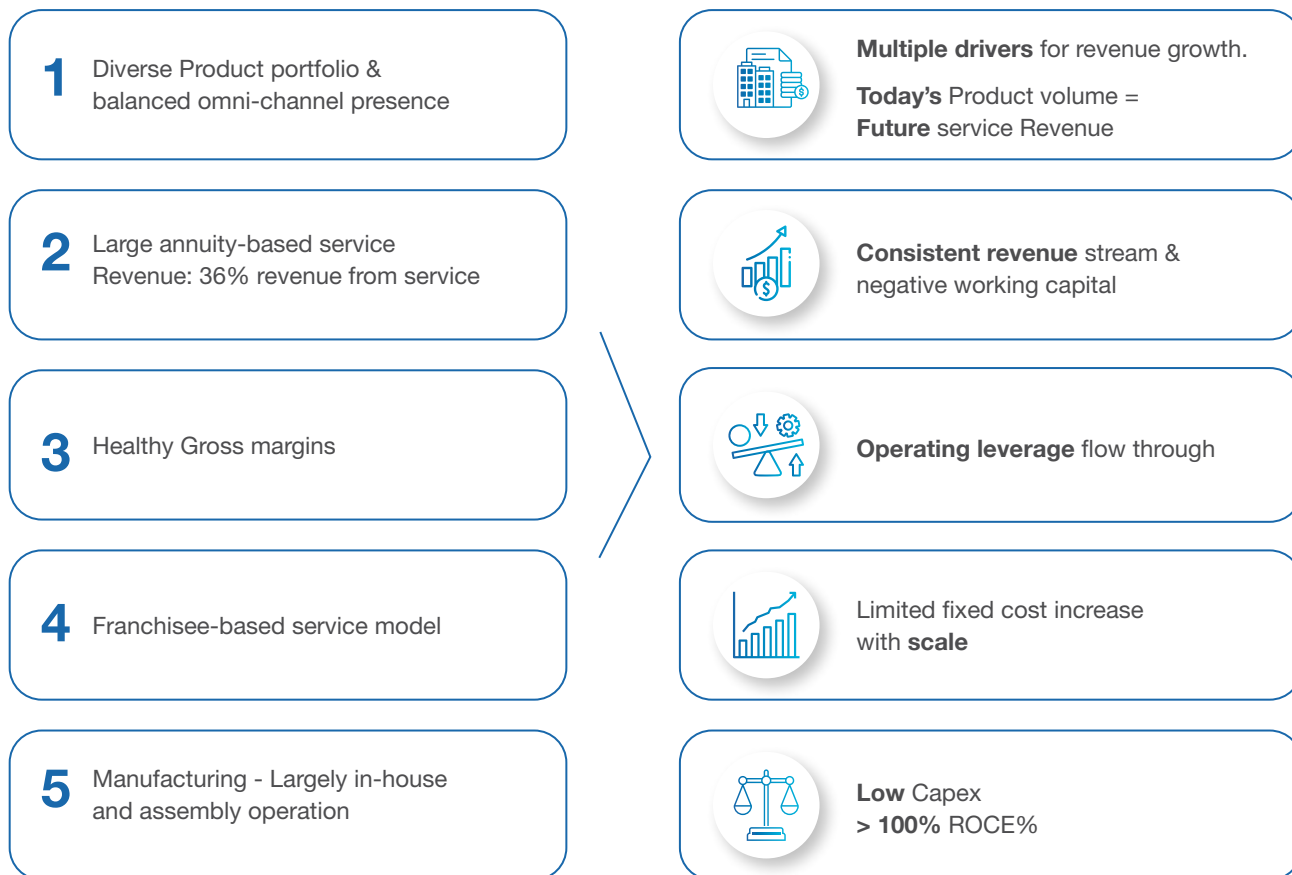
Our long-term value-creation model is anchored in driving sustainable profitable growth through category expansion. Our foundational strengths and transformation will enable us to be a significant leader in a market which is expected to grow by 2.5x in the next few years. Our larger scale, business mix and operating efficiencies will enable margin expansion and our business model will enable continuing strong cash flow generation and sustaining high return on capital employed (ROCE) exceeding 100%. This holistic strategy ensures robust value creation, aligning operational excellence with financial performance to deliver superior returns and sustained growth.





OUR BUSINESS MODEL

Our business model is based on a diverse product and channel mix, service revenue stream, healthy gross margins and low capex intensity. The model provides for deriving operating leverage benefits and generating strong cash flows.

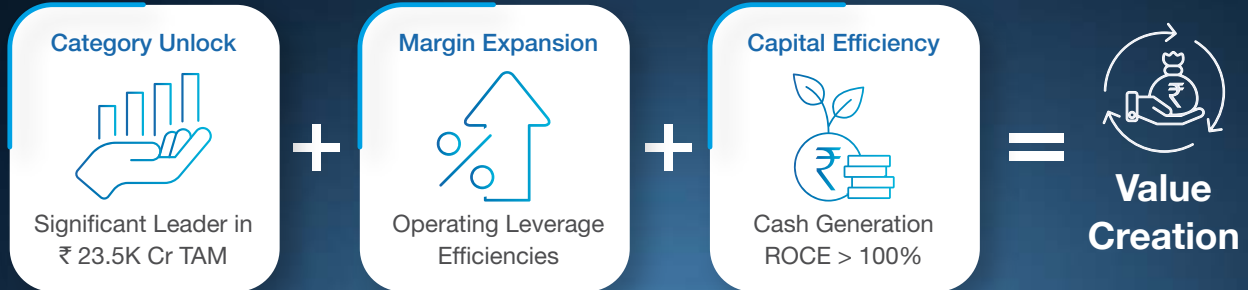


MULTIPLE LEVERS IN PLACE TO DRIVE EFFICIENCIES

We retain a diverse set of levers to drive efficiencies. These provide us the flexibility of having multiple margin expansion drivers while we focus on increasing growth investments.

1. Product Portfolio is balanced across various price points and also between product and service businesses and provides the basis of healthy gross margins
2. Product Value Engineering and Vendor Price Negotiations related opportunities arise from larger scale and standardisation
3. Shared Services and Process Automation provide us the levers to streamline operations
4. Logistics and IT Cost provide the opportunity to drive operating leverage with scale

OUR LONG-TERM VALUE CREATION MODEL





INTELLECTUAL CAPITAL

FOSTERING KNOWLEDGE, STIMULATING INNOVATION

At Eureka Forbes, the repository of knowledge and skills we have progressively developed, and the innovative strengths we have nurtured, have helped us unlock enhanced value for our stakeholders over the years. This intellectual capital of the Company has emerged as a key asset on which we have built our foundations for long-term future growth. It lends us the competitive edge needed to stay ahead in the fast evolving consumer and market landscape.

Our investments in the intangible assets that comprise our intellectual capital are aimed at augmenting the Company's trust, credibility and profitability. They contribute to strengthening our brand proposition and propelling our value creation efforts. They equip us to pioneer path breaking products and solutions to match the transforming needs and aspirations of the new-age consumers. We made significant progress in bolstering our intellectual capital in areas covering R&D, product innovation, digitisation and consumer insights.

STRENGTHENING R&D TO FUTURE PROOF

Driven by our focus on crafting impactful solutions to meet consumer needs across the entire product lifecycle, we, at Eureka Forbes, continue to boost our Research & Development (R&D) prowess through targeted investments.







During FY24, we made several significant investments towards enhancing our R&D capabilities and innovation strength. These include:

- Building new capabilities in niche areas of design, engineering and development, tooling, validation and IoT.
- Creating a category structure for each of the 3 categories in both R&D and marketing organisations.
- Creating and strengthening of exclusive testing facilities, for robotic vacuum cleaner lab, air purifier lab and engineering testing facility, etc.

INNOVATING BREAKTHROUGH TECHNOLOGIES

Our R&D efforts have led to the launch of several innovative, first-of-their-kind technologies, crafted to meet the aspirational desires of our growing customer expanse. They are designed to deliver a range of benefits that include product improvement, cost reduction and product development. Some of our impactful new technologies include:

- Intellimix technology in water softeners to optimise the regeneration process, resulting in reduced regeneration cycles and salt usage, as well as increased water savings.
- The slimmest storage water purifier with glass finish and water quality indication.
- Slim Glass Tech UV Bar Inline water purifier, equipped with cutting-edge 5th Gen UV LED technology and premium toughened glass.



98% YoY

R&D investment increase

REVAMP OF DIRECT 2 CONSUMER (D2C) APP : CONVENIENCE, CUSTOMISATION AND COMMERCE

We revamped the entire customer service journey on our Direct-to-Consumer (D2C) app, as part of our strategy to provide seamless experience and low-touch experience. Our early results have been encouraging : +1 million active installed base, > 70% customer engagement scale up and non linear scale up of AMC sales via our digital assets. We are committed to continuing heavy investments in the D2C channel and undertaking various IT transformation initiatives to enable our field service teams with cutting edge technology.



Led by our 'Go Digital First' efforts, we launched new UI/UX features on our app and website to drive customer connect, convenience and commerce, thus boosting customer delight and enriching their experience. We have also augmented the service booking experience on these platforms for our customers.

CONSUMER INSIGHT LED AWARD WINNING CAMPAIGN
“SAR KA KAPDA HATANA HAI TOH PEHLE NAL KA KAPDA HATANA HOGA”

Based on insight of consumer belief that filtering drinking water with a cloth and sieve was effective in eliminating diseases, we took as our responsibility the task to break that myth. Our Penetration Campaign was designed to educate consumers about the dangers of drinking water filtered through a cloth and sieve. This clutter breaking campaign was awarded the EFFIE 2023, SILVER, in the Home Furnishings and Appliances Category. This was the only award in this category, which had no Gold or Bronze.



**“Sar Ka Kapda Hatana Hai Toh Pehle
 Nal Ka Kapda Hatana Hoga”**



DRIVING CONSUMER AWARENESS ON FAKE FILTERS WITH CAMPAIGN OF 'NAKLI FILTERS DE ASLI BIMARI'

For the 1st time ever, the brand undertook a campaign to educate consumers on the dangers of fake filters with the message of 'Nakli Filters De Asli Bimari'. The campaign also lowered the barriers for AMC purchase by offering Aquaguard genuine AMC from ₹ 599. A variation of this campaign educated consumers about access to genuine filters and services via the Eureka Forbes app. It also provided consumers a means to check the filter's authenticity by simply scanning a QR code on genuine Eureka Forbes filters.



“Nakli Filters De Asli Bimari”



01 SEDI SHIELD

Dust Removal **UP TO 5** micron
Removes **30X** impurities compared to local filters



02 CHEMI BLOCK

10X MORE EFFECTIVE compared to local filter
100% carbon treatment



03 ULTRA FILTRATION

Removes
HARMFUL MICROPLASTICS



04 ALKALINE BOOST

IMPROVES HYDRATION
Helps **IMPROVE BODY METABOLISM**





MANUFACTURED CAPITAL

EFFICIENT, SCALABLE AND RESPONSIBLE MANUFACTURING

As an organisation with focus on category growth, premiumisation and operational excellence, we, at Eureka Forbes, have prioritised Manufactured Capital as a key enabler of our growth strategy. Our state-of-the-art manufacturing facilities, high-end equipment, robust infrastructure and technological resources constitute our Manufactured Capital. We make regular investments to boost the quality, safety and efficiency of our manufacturing processes. Our large scale manufacturing strength is aligned with the evolving consumer preferences by creating best-in-class products and innovative solutions.

STATE-OF-THE-ART MANUFACTURING FACILITIES

Our manufacturing locations are located in Dehradun in Uttarakhand state in the north and Bengaluru in Karnataka in the south of India. This gives us a pan-India edge, enabling us to ensure seamless delivery of our products for consumers across the country. With integrated and automated assembly lines, as well as robust supply chain efficiencies, our manufacturing facilities are designed to ensure the quality and reliability of our products and solutions. We also take regular, concerted steps to ensure sustainable manufacturing at our facilities.

Both our manufacturing facilities are ISO9001, ISO14001, GC Mark & IS16240 certified, endorsing our strong focus on product and process quality. The Dehradun manufacturing facility is additionally IS 14724: 1999. We also have backward integration for the production of membranes.





FOCUSING ON MANUFACTURING EXCELLENCE

At Eureka Forbes, we make targeted investments towards enhancing our manufacturing, which we see as a key pillar of our strategic focus. We are committed to improving the operational performance at our manufacturing facilities through continuous augmentation of quality, cost, delivery, safety and manpower prowess.

The key drivers of our sourcing excellence include:

Automation: Process Automation to minimise cost while maximising output at the highest possible quality by changing the layout and hierarchy of the production process.

Make vs Buy: to use cost-benefit analysis to make a strategic choice between in-house manufacturing and outsourcing.

Quality Processes Optimisation: to enhance the quality of the production process.

Rapid product design to innovation scale up: to ensure continuous launch of new products with uncompromising quality and total customer satisfaction for our products.

ENHANCING MANUFACTURING QUALITY & PROCESSES

The ethos of operational excellence is embedded in the business strategy at Eureka Forbes. In line with this philosophy, we have adopted the lean manufacturing principle across our facilities, with a focus on minimising waste while concurrently maximising productivity. It is our continuous endeavour to enhance the operational, maintenance and process efficiencies at our plants. A host of automations and process upgrades led to quality and productivity enhancement during FY24.

An important initiative undertaken by the Company during the year was the addition of multiple lines to its Mono line. We also added a Belt Conveyor to the free flow palletised line at our Bengaluru plant, to facilitate continuous transportation of large volumes of products. In another key development, membrane production started at our Bengaluru plant with state of- art machinery and equipment, thereby leading to a reduction in the logistic cost.

- In-house RO Membrane Rolling capacity enhanced by 70% to eliminate the dependency on China Sourcing of rolled membrane elements
- Advanced membrane rolling setup for higher efficiency RO membranes
- Customised Assembly Line setup for new innovation roll out e.g. Slimtech series of products
- Digital Traceability with encrypted QR code for genuine filter authentication logic

2

Manufacturing Facilities

Leed Gold Certificate

Awarded to the Dehradun facility

Green Certificate

Awarded to both the facilities





India's Largest Manufacturing Setup

For electric water purifiers

INVESTING IN SUSTAINABLE MANUFACTURING

As a responsible corporate, we are committed to making our manufacturing systems and processes more sustainable. We continued to take various measures to promote energy efficiency and conserve water at our plants during the year. (Cross referred to – Natural Capital)

TOWARDS GREATER FUTURE-READINESS

The ever evolving consumer aspirations and market demands are leading to a rapid transformation in the manufacturing landscape in India. We are cognizant of the importance of anticipating future needs, and taking proactive actions to seize the opportunities of tomorrow.

To build on our future-readiness, we are moving towards digitalisation of the free flow conveyor, automation of the filters, and auto manpower allocation. We also plan to deploy analytics for monitoring of key manufacturing KPIs (Key Performance Indicators).



HUMAN CAPITAL

BUILDING A FUTURE READY ORGANISATION

In our transformation journey human capital is the key engine that will drive the Company's long-term growth. Our focus is on building an ecosystem that encourages clear alignment, capability building and employee connect, with the aim to attract and retain the best-in class talent.

In a transforming organisation the focus has been on creating the right organisation structures, hiring for capabilities, aligning Goals and Incentives and most importantly creating a culture to align with the new direction, ensuring that our employees understand and embrace these changes.

Initiatives have been around ensuring frequent and transparent communication, bringing employees together to create belongingness and recognising the right set of behaviours and results.

Skill upgradation has been a pivotal enabler to ensure our employees can adapt to the new roles, technologies and processes.

8,646+

Training hours in FY24

100%

Managers with ESOPs

Owners Mindset





STAYING CONNECTED WITH EMPLOYEES

FY24 witnessed the launch of several initiatives to boost our employee connect.

Employee Listening Framework

We launched “Voice of EFL” survey, aimed at seeking feedback from employees on what is going well and what needs change to build in the organisation:

- The survey covers broad pillars of leadership direction, work environment, management support, team culture,
- Comprehensive action planning was undertaken on the basis of the inputs received. Action plans were formulated and executed in various areas like communication, engagement activities, reward and recognition processes, etc.
- The First Edition of Voice of EFL was launched in September 2023 and saw a participation rate of 80.1%. The second edition, launched in May 2024, had a participation rate of 85%.
- Action undertaken in response to Voice of EFL feedback was communicated to the employees through multiple town halls

Shaabash Awards

Launched in FY24 to celebrate and recognise transformation success stories, these awards recognise exceptional contribution of our teams and managers on a quarterly and annual basis.

CREATING AN OWNER'S MINDSET AND A HIGH PERFORMANCE CULTURE

We work continuously to ensure employee alignment with the Company's overall business goals, with a clear focus on creating an environment of ownership and a high performance work culture.

ESOP Roll-Out: The roll-out of our ambitious, wide reaching ESOP programme to 100% of our managerial population was in line with our employee alignment focus. This industry-leading programme is not restricted to the leadership levels but signals every employee's critical role in our transformation journey.

Frontline Incentive Programme: This is a critical tool that drives high performance across our different channels. The incentive design is based on both key input and output measures that are essential to the respective channel. These are monthly and quarterly; also includes the annual aspirational clubs of MD achiever and High Flier Club.

Communication Forums: The Annual SMART meets provide employees across the organisation with a platform to come together to understand the strategy for the coming year while celebrating the achievements of the previous year. These meetings have emerged as a foundational element reinforcing our culture code, along with bi-annual leadership meets focussing on fostering a collaborative leadership. We have also put in place a comprehensive leadership communication framework, with monthly and quarterly town halls hosted at the Regional, Functional and Organisation level.

BUILDING SKILLS TO BOOST EXCELLENCE

As we focus on new product launches, creating customer centricity in our actions and a high growth culture; building capability is pivotal to bringing these goals to life During the year:

- We designed and launched various functional and behavioural skill building interventions for the business teams. In the first phase, we focussed on our Service and Direct Sales team. The programme is oriented towards empowering the team leads and the first line managers of the frontline teams in these channels to provide service excellence. The programme seeks to reinforce our business partnership model to accelerate business growth and enhance customer experience.
- We have also developed various organisation-wide learning initiatives, both in-person and virtual, around multiple topics. Frontline sales managers have undergone skill building interventions around grooming, selling, objection handling, techniques to manage different types of customers, demonstration skills, etc. In FY24, more than 300 executives from the frontline sales teams were covered by these interventions.
- Another focus area at Eureka Forbes has been continued skill enhancement of the frontline teams through the launch of LMS (learning management system). The LMS is aimed at building the frontline teams' capability and understanding of our products and service standards, thus equipping them to deliver exceptional customer experience.



Eureka Forbes' Human Resources (HR) function has closely partnered with business to fuel business growth. The HR team has worked on re-organisation initiatives and enabled smooth transition of leaders and employees into the new structure.

Training Programmes

During the financial year 2023-24, the Company successfully conducted around 2,712 training programmes, demonstrating our commitment to continuous employee development and excellence. These

training sessions covered a wide range of topics to ensure comprehensive skill enhancement and knowledge sharing. The topics included:

- Field Visits
- Soft Skills
- Products including new innovations for all 3 categories of Water, Vacuum and Air
- Water Testing Kit
- New AMC propositions
- Frontline Sales Training

A total of 1,590 employees actively participated in these training programmes, reflecting our workforce's engagement and dedication to professional growth.



We have trained our people managers on feedback skills, goal setting, effective appraisal conversation, and compliance with the code of conduct. More than 500 people managers have so far undergone these awareness sessions.

ENSURING ETHICAL CONDUCT

Our Code of Conduct, which constitutes the cornerstone of our corporate governance philosophy, outlines a comprehensive framework that drives legal compliance, ethical business operations and utmost professionalism. Aligning with our corporate values, it requires our employees to maintain a high standard of ethical conduct, act with integrity, and respect human rights. Deviation from these norms can lead to serious consequences, including employment termination.

As part of our ongoing efforts to strengthen our corporate governance framework, we have relooked and recrafted the policies on Code of Ethics and Conduct (CoEC), Prevention of Sexual Harassment of women at workplace (PoSH), and Whistle Blower. We have put in place a structured framework to ensure 100% coverage of our employees through awareness programmes. During FY24, we introduced classroom sessions, virtual facilitated programmes, and a new e-learning course on CoEC and PoSH.



NATURAL CAPITAL

NURTURING A MORE SUSTAINABLE FUTURE

The various resources that we deploy in our operations, and those that are impacted by our business constitute our Natural Capital. We are cognisant of the importance of protecting these resources, and minimising the ecological footprint of our business to foster a more sustainable future for all. We are committed to the pursuance of sustainable practices, and have integrated environmental responsibility into our strategic roadmap.

Our sustainable development journey is powered by our sustained focus on low-carbon and ecofriendly processes. Reducing energy and water consumption in our activities, and enhancing the use of renewable energy in our operations are key facets of our efficient resource management and responsible manufacturing journey. We also focus on biodiversity conservation through plantation activity within the premises of our factories and the nearby communities.





ROBUST ENVIRONMENT MANAGEMENT FRAMEWORK

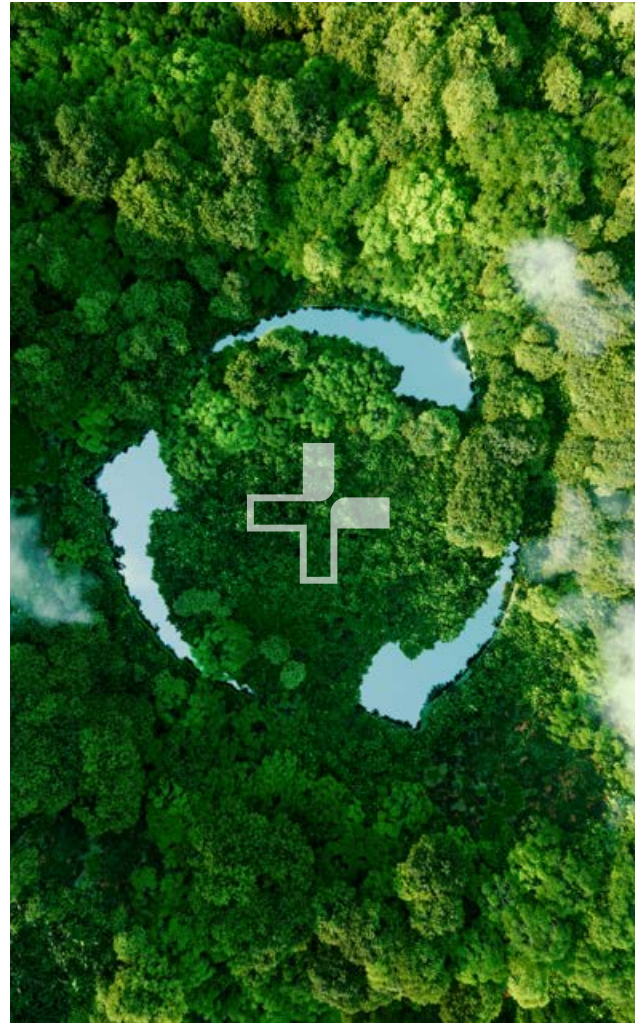
We strictly adhere to all environmental norms and regulations, and have in place robust environment management programmes aimed at reduction in water, electricity and paper consumption. We regularly monitor and maintain the key consumption metrics as part of our efforts to realise our ecological targets.

The objectives of our programmes are reviewed on an annual basis. Both our factories are ISO 14001:2015 certified, and we annually review all aspects and impacts associated with the processes / activities undertaken as per the certification at the facilities.

We have in place a clearly articulated operating policy on manufacturing, which guides our objectives and actions for reducing our environmental footprint.



During FY24, we took various targeted initiatives to foster environmental sustainability, with focus on minimising our water usage and promoting energy efficiencies across our operations.



REDUCING WATER USAGE

Re-use of RO reject water for toilet flushing, and rigorous monitoring of water leakages helped in 16.1% increase in water savings at our Dehradun location during FY24 over the previous financial year.

We successfully achieved our water reduction targets during the year as a result of several focused initiatives. We have fitted digital flow meters for remote monitoring and Piezometer for ground water level sensing at the Dehradun factory. We have also installed Effluent & Sewage Treatment Plants at both our plants to facilitate recycling and reuse of treated water.

ENHANCING ENERGY CONSERVATION

Use of energy-efficient equipment is a vital aspect of our efforts to minimise the use of thermal energy across our operations. During FY24, we took several actions to promote energy conservation at our facilities.

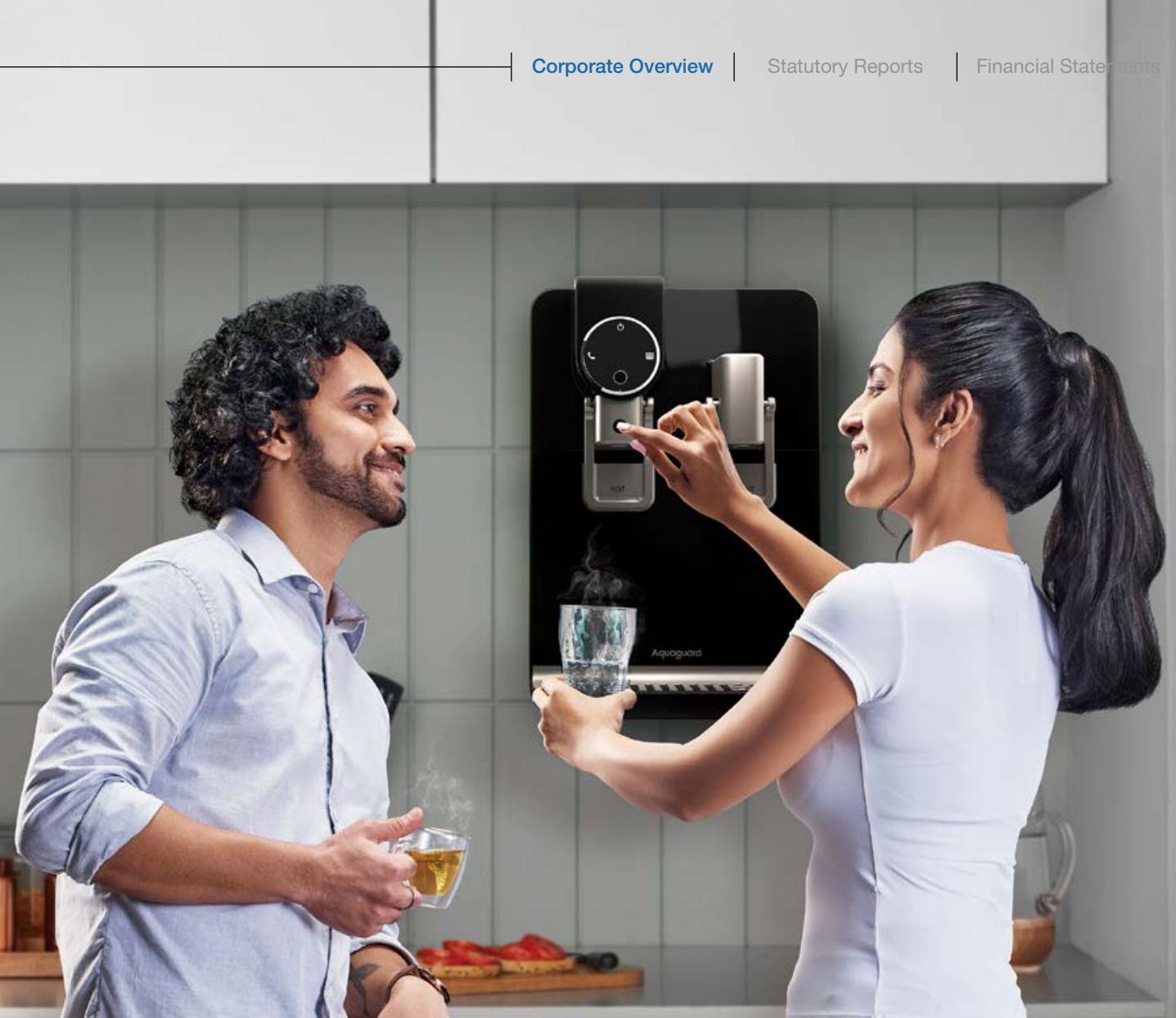
- Fitted a Retrofitting Emission Control Device (RECD) to mitigate emissions (PM, HC & CO) at the Bengaluru factory.
- Installed a new high-efficiency VFD air compressor at the Dehradun facility.
- Switched to solar / LED lights to reduce the use of thermal energy.
- Replaced 20 old air conditioning (AC) systems with new energy-efficient and environment-friendly R32 refrigerant at the Dehradun location.

Zero Liquid Discharge (ZLD)

At both manufacturing facilities

ISO 14001 Environment Management System Certificate

Awarded to both the facilities



ENSURING SUSTAINABLE SUPPLY CHAIN

Our sustainability spirit extends beyond our own operations, to the entire supply chain of our business - from sourcing of raw material to final packaging of the products. We take regular steps to align our suppliers and vendors to the Company's sustainable development goals. Relevant clauses have been incorporated in the vendor agreements to promote sustainability, and we encourage our suppliers to comply with all the prevalent laws pertaining to environment protection.

Several initiatives were taken during the year to ensure supply chain sustainability in our operations.

- Replaced corrugated boxes with re-usable PP boxes for supply of plastic components by suppliers; the PP boxes can be re-used around 30 times each.
- Shifted to honeycomb buffer designing instead of thermocol or EPE foam buffer for one of our new products, thus reducing the use of raw material.

- Ensured compliance with Restriction of Hazardous Substances (RoHS) directive in PCBs, through test certificates and self-declarations from all our suppliers.
- Caged trolley has been designed by one of our plastic part suppliers to avoid use of packing boxes, thus reducing the packaging waste.

100%

Waste recycled or diverted from landfills through authorised recyclers



SOCIAL & RELATIONSHIP CAPITAL

FORGING STRONG BONDS ROOTED IN MUTUAL TRUST

Driven by shared values and commitments, we strive to strengthen the strong relationships we have built with our customers, retailer and dealer partners, and the communities around which we operate. It is our firm belief that these bonds, which are rooted in mutual trust, are pivotal in enhancing the Company's reputation as a partner of choice. It is our continuous endeavour to nurture these bonds with the aim of fostering trust and creating inclusive value.

The Eureka Forbes' business strategy is all-encompassing, and focused on collective growth and value creation. Our key investments towards building our customer, dealer, retailer and community relationships ensure shared value creation, centred around holistic long-term development. Our concerted interventions to promote their interests empower these stakeholder groups to build a valuable future for themselves and the world at large.





PARTNERING WITH DEALERS & RETAILERS TO DRIVE GROWTH

Cognisant of their critical role in ensuring business growth and expansion, we have identified channel management as a key imperative across our dealer and retail network. The longevity of our retail partners, coupled with our elaborate dealer network especially in general trade, is a testimony to our collaborative strength and is at the root of our long-term growth strategy.

Our retail partnerships span the entire lifecycle of the retailers, from the induction of the right partners to copilot their business growth in their respective territories. We partner them in all the important activity systems, such as joint business planning, timely business health checks, operational co-working, and robust technological infrastructure, to support their day-to-day operations.

DIRECT SALES INITIATIVES

- Execution of agenda on Upselling (Replacement) & Cross-selling to our existing customer base through CLTV Programme, leading to additional 30% monthly fixed appointments for the field team and helped achieve incremental sale.
- Network optimisation in all Indian cities/towns with over one lakh population (OLP), by identifying white spaces (having no Company presence) and underpenetrated markets in all OLP cities/towns, and aligning New Partner Addition Plan (both for FY24 & FY25) to address all such gaps by FY25.
- Introduction of JOS App for Partner Channel, enabling;
 - Onboarding of 700+ partners on Lead Management App, along with 750+ Partner Manpower (AWEs), in FY24
 - Field team performance management on key metrics, including attendance, lead generation, demo count, sales conversion, etc.
 - Sharing of centrally generated high quality digital and CLTV leads with select qualified partners.

ENRICHING CUSTOMER EXPERIENCE

With customers central to our relationship ethos, we launched a 360° intervention encompassing a host of initiatives to drive customer experience and address service opportunity during FY24. Our enhanced customer experience was manifest in our service metrics, which were at an all-time high during the year.

MARKED IMPROVEMENT IN KEY CUSTOMER METRICS

A key outcome of our customer service enhancement efforts has been the significant improvement in our 24-hour complaint closure Turnaround Time (TAT).

Our complaint closures showed strong improvements with > 70% complaints attended to in 1 hour.

We achieved our highest ever customer NPS.

We also exited the year with a substantial 33% reduction in quality related complaint issues vs start of the year.



The launch of our service campaign on TV, Print and Digital media was a significant initiative towards promoting service excellence at Eureka Forbes during FY24.





CORPORATE SOCIAL RESPONSIBILITY

At Eureka Forbes, our social outreach extends beyond our immediate stakeholders to the community at large. We believe in building relationships that value the community, just as we value our customers. Our initiatives are aimed at creating harmony in society.

We have in place a well-articulated Corporate Social Responsibility (CSR) framework aimed at promoting healthcare, sanitation, hygiene including preventive healthcare and making available safe drinking water.

Our on-ground partner - AquaKraft Group Ventures, is a water sustainability and impact group focussed on providing

actionable solutions on ground in the area of sanitation and drinking water.

- We worked closely with - AquaKraft Group Ventures to provide safe and clean water in government schools through installation of RO and UV filters.
- Ten municipal schools were identified in Satara, Maharashtra, and AquaKraft set up indigenous water purification machines in these institutions, besides supporting them in water quality testing.
- We undertook awareness and sensitisation programmes among students, as well as teaching and non-teaching staff through WASH (water, sanitation and hygiene) sessions.

Impact

~2,500

School students, teaching & non-teaching staff benefitted
(During FY24)

100%

CSR Obligation fulfilled



Our CSR initiative seeks to contribute to sustainable development and enhance the overall well-being of communities.



RISK MANAGEMENT

MAPPING & MITIGATING RISKS EFFECTIVELY

We have implemented a comprehensive Risk Management Framework designed to integrate risk management into the everyday operations of our business. Business Risk Assessment procedures are in place to facilitate self-assessment of business risks, operational controls, and compliance with Corporate Policies.

The objective of this risk assessment framework is to provide operating management with a proactive and value-added review process, enabling them to maintain a view of enterprise and macro risks and have associated mitigating controls. This ongoing process continuously monitors the evolution of risks and ensures the delivery of effective mitigating action plans. The Board holds overall responsibility for risk management and regularly reviews the effectiveness of our internal control systems and risk management approach.

The major risks identified by the Company are mapped below, along with the mitigation measures:



REGULATORY / COMPLIANCE RISK

Covers the risk of non-compliance due to non-adherence to product related guidelines or other regulatory pronouncements.

MITIGATION MEASURES

- Controls are built in the Product development process to address regulatory requirements
- An in-house team, backed by access to external experts, enables easy identification of the changes and quick roll-out of capabilities to ensure compliances.



MARKET RISK

Defined as the risk of inability to drive category growth and market share.

MITIGATION MEASURES

- Significant investments have been made in R&D and Marketing capabilities.
- Our offerings encompass multiple price points – from entry level to premium. The diverse price points are available for both products and services.
- We have an innovation roadmap to ensure a steady pipeline of unique innovations.
- Our omni channel presence including strong Go To Market presence and access to consumer homes.



CONSUMER / REPUTATION RISK

Encompasses the risk of poor customer experience and associated reputation risks due to failure to honour service commitments or/and redress customer grievances.

MITIGATION MEASURES

- Our extensive service network is being fortified with infrastructure upgrade and expansion.
- Significant digital capability has been and continued to be put in place to give control to customers.
- Organisational interventions like “Customer Day” and extensive engagement with business partners to further drive mindset of customer experience.



SUPPLY CHAIN RISK

Identified as supply risks caused by unexpected disruptions or geopolitical or other external factor.

MITIGATION MEASURES

- Supply network is de-risked through a detailed vendor development roadmap.
- Robust strategic partnerships are in place and are being progressively enhanced.



INFORMATION / CYBERSECURITY RISK

Covers security related vulnerabilities attributable to external factors such as cyberattack, ransomware, data leaks etc, or business continuity risk due to inadequate disaster recovery controls.

MITIGATION MEASURES

- Detailed Disaster recovery process is in place.
- Several data security measures in areas like customer data, call masking etc put in place.
- Cybersecurity awareness trainings have been initiated across the organisation.
- In house capability and access to external experts in place.



PEOPLE RISK

Described as the risks to transformation initiatives due to cultural and other change resistance issues.

MITIGATION MEASURES

- Strategy alignment session and cascades done with all employees of the company.
- First ever ESOP program covering all managers rolled out.
- Sustained employee engagement and recognition programmes across levels in place to drive the transformation agenda.
- New people capabilities have been built and scaled up in areas like R&D, Technology, D2C and Sales organisation.

BOARD OF DIRECTORS



Mr. Arvind Uppal

Non-Executive - Non Independent Director, Chairman

Mr. Uppal is a BTech from IIT Delhi and holds a Masters in Business Administration from FMS, Delhi. He has also completed an Executive Program at I.M.D Switzerland. With over thirty-two years in the consumer industry, he first gained prominence at Nestlé, particularly for his work on the Maggi brand across multiple countries. He then served as President Asia Pacific for Whirlpool Corporation, leading a notable operational turnaround. Presently, Mr. Arvind Uppal is the Non-Executive Chairman of Whirlpool of India Ltd. and a Director at Gulf Oil Lubricants India Limited. He holds board positions at Amber Enterprises India Limited and acts as an Industry Advisor to Advent International.



Mr. Sahil Dilip Dalal

Non-Executive - Non Independent Director

Mr. Sahil Dalal joined Advent in 2009 and leads Advent India's investing efforts in the Retail, Consumer & Leisure sector, and the Technology / Technology Services sector. Prior to Advent, Mr. Sahil was an associate with JLL Partners, a New York-based private equity firm where he focussed on buyout and growth equity transactions. Prior to JLL Partners, Mr. Sahil spent three years with Bear Stearns in New York as an analyst in its Investment Banking Division. Sahil has 17 years of experience in Private Equity and 20 years of experience in financial services. Sahil has a BBA with High Distinction from The Ross School of Business at the University of Michigan and an MBA from The Wharton School at the University of Pennsylvania. He has led, co-led, and supported on 12 investments at Advent. He is also a director in Advent India PE Advisors Private Limited, DFM Foods Limited and Modenik Lifestyle Private Limited and was previously a Director at Crompton Greaves Consumer Electricals Limited.



Mr. Pratik Rashmikant Pota

Executive Director, Managing Director & CEO

Mr. Pratik Rashmikant Pota holds a Master of Business Administration in Marketing from the Indian Institute of Management, Calcutta (1990 - 1992), and a Bachelor of Engineering in Electrical and Electronics from Birla Institute of Technology and Science, Pilani (1986 - 1990). With a career extending over 30 years, Mr. Pratik Rashmikant Pota has occupied significant roles across various sectors. Most notably, he served as the CEO of Jubilant Foodworks Ltd (JFL), where he was instrumental in a complete business turnaround and the expansion of Domino's as India's leading D2C brand. During his term, the Company's market capitalisation surged ten-fold. Prior to his transformative role at JFL, Mr. Pratik Rashmikant Pota took on leadership responsibilities at reputable organisations such as PepsiCo, Airtel, and Hindustan Unilever Ltd.



Mr. Vinod Rao

Non-Executive - Independent Director

Mr. Vinod Rao holds a Bachelor of Commerce from Madras University and is a member of the Institute of Chartered Accountants of India. He attended a Senior Executive Programme at London Business School. With over 35 years in finance roles, Mr. Vinod Rao has worked with global giants such as Diageo, PepsiCo, and ICI, spanning industries like FMCG and consumer durables. His last executive role was Group Treasurer and Head of Investor Relations at Diageo Plc, London. He possesses expertise in both developed and developing markets, including India and Europe. Additionally, he serves as a Trustee for the UK-based Isha Foundation.



Mrs. Gurveen Singh

Non-Executive - Independent Director

Mrs. Gurveen Singh earned her Bachelor's in Philosophy Honours from Lady Sri Ram College, Delhi University, and further honed her skills with a Post Graduate degree in 'Personnel Management and Industrial Relations' from Xavier Labour Relations Institute, Jamshedpur. She is a seasoned specialist in Human Resource Management with a 42-year career span. She retired as the Chief Human Resources Officer of Reckitt Benckiser PLC, a FTSE 20 Company, in 2020. She holds board positions with Manjushree Technopack Ltd., Viyash Life Sciences Private Limited and VLCC Health Care Limited. Her career also includes key HR roles in the hospitality, manufacturing and FMCG industry. She also had a global career with Reckitt Benckiser both in developing and developed markets. Mrs. Gurveen Singh has been instrumental in establishing foundational HR functions in prominent companies, thereby facilitating their growth.



Mr. Shashank Shankar Samant

Non-Executive - Independent Director

Mr. Shashank Shankar Samant is an alumnus of Savitribai Phule Pune University. He currently serves as Chairman of GlobalLogic, after retiring as its President & CEO in 2022. Before GlobalLogic, he was President of Ness Technologies, leading the Company to a NASDAQ IPO in 2004. He has also made significant contributions to Hewlett-Packard's Verifone division and was instrumental in establishing IBM's first India-based software engineering lab. At the onset of his career, he was part of Citicorp's team that developed FlexCube banking technology. Additionally, Mr. Shashank Shankar Samant serves on the boards of Office Depot, Rackspace Technology, and Cyderes.



Mr. Homi Adi Katgara

Non-Executive - Independent Director

Mr. Homi Katgara, Partner, is the youngest of the fourth generation of the founding family which established Jeena & Company 124 years ago, making them the pioneers of Freight Forwarding in India.

During his tenure of nearly forty years in the forwarding industry, Mr. Katgara has been actively involved in the day to day management of Jeena & Company. He is also a Partner and a Director in various Jeena group Companies and with his demanding schedule also finds the time to be the Managing Trustee at Masina Hospital which is one of the oldest and most venerated institutions of Bombay.

Mr. Katgara has been the Past President of the Air Cargo Club of Bombay and has also served on the committee at the Rotary Club of Bombay and the Balloting & Disciplinary Committee of The Willingdon Sports Club – one of the Premier Sporting Clubs in Bombay. He was also a Committee Member of the Indo Canadian Business Chamber.

Apart from the above, he is also into real estate and on the philanthropic side, strongly believes in "giving back to society what we have received from it" which he does through Charitable Trusts & Foundations set up by the family.

His interests include tennis, squash, badminton, snooker, ping pong, swimming and scuba diving.

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee
- Corporate Social Responsibility Committee
- Risk Management Committee

C - Chairperson/Chairman

M - Member

KEY MANAGERIAL PERSONNEL



Mr. Pratik Rashmikanth Pota
Managing Director & CEO



Mr. Gaurav Pradip Khandelwal
Chief Financial Officer



Ms. Pragya Kaul
Company Secretary & Compliance Officer

MANAGEMENT EXECUTIVE COMMITTEE



Mr. Ajit Dheer
Chief Operating Officer



Mr. Gaurav Pradip Khandelwal
Chief Financial Officer



Ms. Mahnaz Shaikh
Chief Human Resources Officer



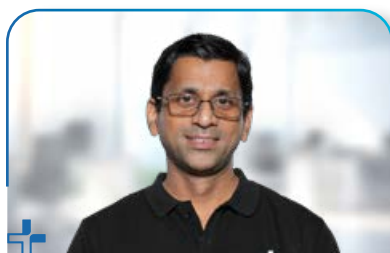
Mr. Nithyanand Shankar
Chief Digital Business Officer



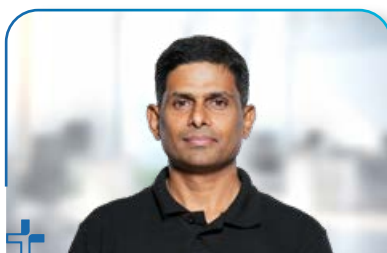
Mr. Vikas Jayna
Chief Technology Officer



Mr. Satish Satyarthi
Chief Innovation & R&D Officer



Mr. Anurag Kumar
Chief Growth Officer



Mr. Anirudha Karnataki
Chief Supply Chain &
Procurement Officer



Mr. Suresh Redhu
Chief Technical Officer

AWARDS & RECOGNITION

OUR REWARDING JOURNEY OF FY24



WINNERS OF THE RED DOT QUALITY LABEL



The outstanding quality and design of our product was chosen by the international jury from among a large number of submissions from companies and design studios from all over the world.

The Red Dot Design Award is an international annual design competition for product and industrial design, brand and communication design, as well as design concepts, in which the Red Dot quality label is awarded to winners. It is an award for superlative design quality. The international jury only awards the highly sought-after seal of quality to products that are characterised by outstanding design.

This achievement opens up opportunities to showcase our Red Dot Winner 2024 status across various platforms, such as website, point of sale, packaging, and more. We honour this great achievement with the Red Dot Winner Label, and an exclusive presentation of our award in the Red Dot Design Yearbook.

We are thrilled to announce that our Red Dot Design victory is now live! Please check the website link: [Red Dot Design Award: Slim Tech Bar \(red-dot.org\)](https://www.red-dot.org). We are featured in the Red Dot Design Award Winner 2024 section under Kitchen Appliances.



WINNERS OF EFFIE 2023, SILVER IN THE HOME FURNISHINGS AND APPLIANCES CATEGORY



Our clutter-breaking and highly successful campaign - 'Sar Ka Kapda Hatana hai toh pehle Nal ka Kapda Hatana Hoga', was awarded the Silver in the Home Furnishings and Appliance Category (there was no Gold or Bronze in this category) at EFFIE 2023.

EFFIE honours effective marketing communications across India, with the recognition coming not only from the advertising industry, but also from the client and academicians.

The campaign that won the honours underlined our Brand Aquaguard mission - A mission to eliminate water-borne diseases from each household in India. Consumers in India believed that filtering drinking water with a cloth and sieve was effective in eliminating diseases. As a leader in water purification systems it was our responsibility to demolish that myth, and to tell consumers that 'Sar Ka Kapda Hatana hai toh pehle Nal ka Kapda Hatana Hoga'.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Arvind Uppal

Chairman, Non – Executive, Non – Independent Director

Mr. Pratik Rashmikanth Pota

Managing Director & CEO

Mr. Sahil Dilip Dalal

Non-Executive, Non-Independent Director

Mr. Vinod Rao

Independent Director

Mrs. Gurveen Singh

Independent Director

Mr. Homi Adi Katgara

Independent Director

Mr. Shashank Shankar Samant

Independent Director

KEY MANAGERIAL PERSONNEL

Mr. Pratik Rashmikanth Pota

Managing Director & CEO

Mr. Gaurav Pradip Khandelwal

Chief Financial Officer

Ms. Pragya Kaul

Company Secretary and Compliance Officer

BANKERS

Axis Bank Ltd.

ICICI Bank Ltd.

Kotak Mahindra Bank Ltd.

State Bank of India

HDFC Bank Ltd.

AUDITORS

M/s. Deloitte Haskins & Sells LLP

Statutory Auditor

M/s. Mihen Halani & Associates

Secretarial Auditor

M/s. J Chandra & Associates

Cost Auditor

CORPORATE AND REGISTERED OFFICE

B1/B2, 7th Floor, 701, Marathon Innova,
Ganpatrao Kadam Marg, Lower Parel.
Mumbai - 400 013

REGISTRAR AND SHARE TRANSFER AGENT

Link Intime India Private Limited
C 101, 247 Park, L.B.S. Marg, Vikhroli (West),
Mumbai - 400 083
Phone: +91 22 4918 6000
E-mail: info@linkintime.co.in.
Contact Person: Mr. Ishwar Suvarna
CIN: U67190MH1999PTC118368

PLANT LOCATIONS

Dehradun

Khasra Number 3946,3961 & 3962,
Lal Tappar Industrial Area, Majri
Grant, Dehradun-Haridwar Highway,
Tehsil – Rishikesh, Dist. – Dehradun,
Uttarakhand- 248140

Bengaluru

Plot No.143, C-4, Bommasandra
Industrial Area, Hosur Road,
Bengaluru - 560 099

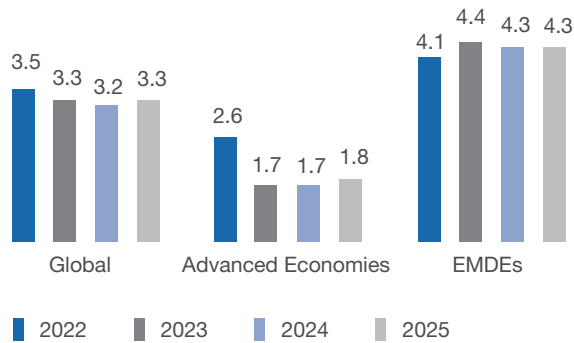
MANAGEMENT DISCUSSION AND ANALYSIS

We are pleased that you have engaged with our first Integrated Annual Report and trust that you have found it insightful. As you delve into the MD&A section, we aim to provide a comprehensive analysis of how Eureka Forbes is driving value for its stakeholders through strategic initiatives and operational excellence. This section has been crafted with meticulous care to provide a detailed analysis of our performance and future outlook, reflecting our commitment to transparency and stakeholder value.

ECONOMIC OVERVIEW

Global Economy

The global economy is navigating a dynamic landscape, influenced by geopolitical conflicts, higher interest rates, and volatility in energy prices and food markets. According to the International Monetary Fund (IMF), the global economy achieved a modest growth rate of 3.3% in 2023. Inflation has eased from last year's peaks and is expected to continue its downward trend.



Outlook

The global economy presents a mixed outlook, shaped by geopolitical conflicts, high debt levels, and extreme weather events. Despite its resilience, global growth faces risks from rising interest rates, potential price surges due to geopolitical tensions, and increased instability from upcoming elections

in various regions. Despite these uncertainties, the global economy is projected to grow at 3.2% in 2024 and 3.3% in 2025. Advanced Economies (AEs) are expected to grow at 1.7% in 2024 and 1.8% in 2025. Emerging Markets and Developing Economies (EMDEs) are projected to maintain a steady growth of 4.3% in both 2024 and 2025. Global inflation is expected to decrease from 6.8% in 2023 to 5.9% in 2024 and 4.5% in 2025.

Source: World Economic Outlook-IMF, April and July 2024

India Economy

The Indian economy maintained a steady growth trajectory in FY 2023-24 and remains the fastest-growing major economy. According to the National Statistical Office (NSO), the Indian GDP grew by 8.2% in FY 2023-24, up from 7% in FY 2022-23. This growth is aided by robust private consumption, increased investments, and a stable interest rate environment. Inflation softened to 5.4% from 6.7% last year, staying within the RBI's target, while the Index of Industrial Production (IIP) averaged a healthy 146.7, reflecting 5.9% YoY growth. Furthermore, the government's focus on infrastructure development, digitalisation, ease of doing business, and inclusive growth has enhanced overall business conditions.

Outlook

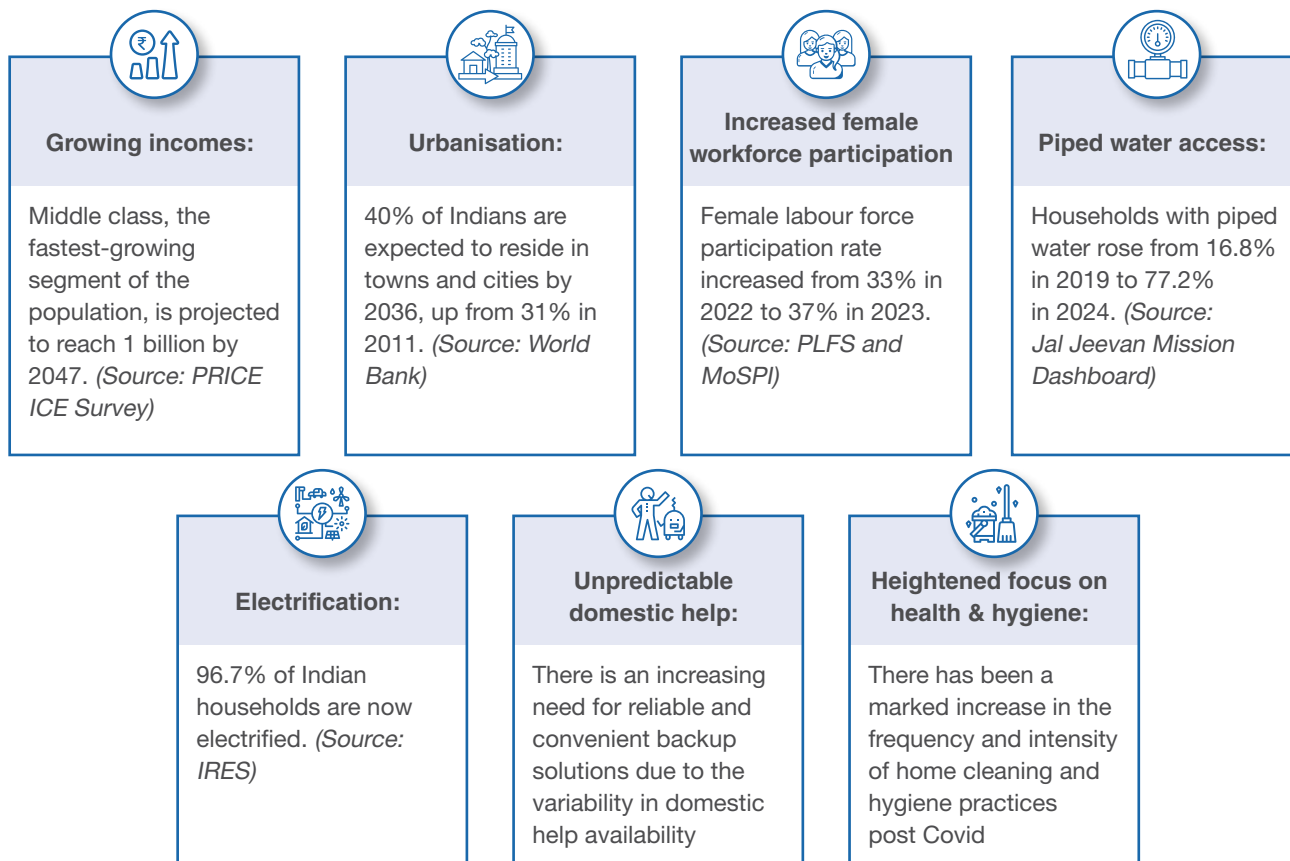
As per RBI estimates, the Indian economy is projected to grow at 7.2% in FY 2024-25. India's economic activity continues to sustain its momentum on the back of investment demand, steady urban consumption, improving rural consumption and strong consumer and government spending. While geopolitical tensions, volatility in global commodity prices, and geo-economic fragmentation pose risks, financial conditions in India remain accommodative. Expectations of a favourable monsoon and continued infrastructure development are expected to bolster the agriculture and manufacturing sectors, respectively. Improved banking sector health is likely to enhance credit growth, further driving economic expansion.

Source: NSO, RBI

INDUSTRY OVERVIEW

Trends Shaping the Industry

Our categories address health needs and in a relatively short period of time, there is a convergence of several category specific factors that provide tail winds to the categories in which we operate. Over and above these are factors associated with India's growth story, demographic profile, urbanisation etc which provide further momentum.



Water purifier industry

The water purifier market in India has witnessed substantial expansion in recent years, driven by several factors, including the increasing prevalence of water-borne diseases, government initiatives such as the Jal Jeevan Mission aimed at enhancing access to safe drinking water, and advancements in purification technology that effectively address inorganic contaminants. As India's population continues to expand and its geographical diversity presents unique challenges, ensuring comprehensive access to safe drinking water remains a critical issue.

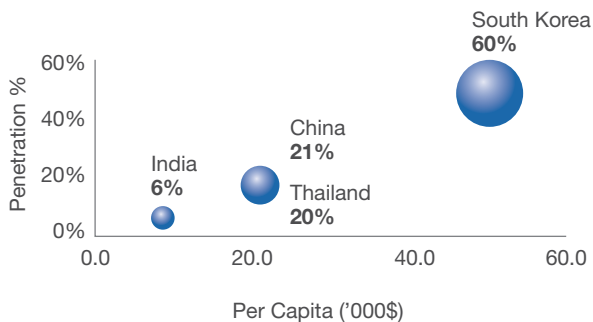
The water purifier market is poised for further growth, propelled by various macroeconomic factors. Rising income level is a major catalyst, with the rapidly expanding middle class, projected to reach 1 billion by 2047, substantially increasing demand for water purification solutions. Urbanisation and modern lifestyle shifts have driven a significant surge in demand for water purifiers, leading to a considerable increase in market size. The World Bank estimates that by 2036, 40% of Indians will reside in urban areas, up from 31% in 2011, which will further boost the

demand for water purification solutions. Additionally, the rising participation of women in the workforce, with the female labour force participation rate climbing from 33% in 2022 to 37% in 2023, is contributing to greater household purchasing power. Other factors fuelling the growth of the water purifier market include significant improvements in infrastructure, evidenced by the rise in piped water access from 16.8% in 2019 to 77.2% in 2024, and high electrification rates of 96.7%, which support the efficient use of modern water purifiers. Furthermore, heightened awareness of health and hygiene post-pandemic is also contributing to the surge in demand for water purifiers, significantly expanding the market.

Under Jal Jeevan Mission, out of the total target of over 19 crore households, ~76% have been provided with tap water connections. The success of this mission, coupled with the Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGYA) initiative providing electricity to every Indian household, significantly bolsters the water purifier market. Government campaigns promoting clean drinking water also contribute to raising awareness about the importance of water hygiene, further expanding market potential.

Despite the strong market growth, water purifier penetration in India remains significantly lower compared to other Asian countries, with only 6% per capita penetration. Limited awareness and affordability constraints are the primary factors contributing to the low penetration of water purifiers in India. In contrast, China boasts a 21% penetration rate, South Korea leads with 60%, and Thailand stands at 20%. This disparity highlights substantial growth opportunities for the Indian market.

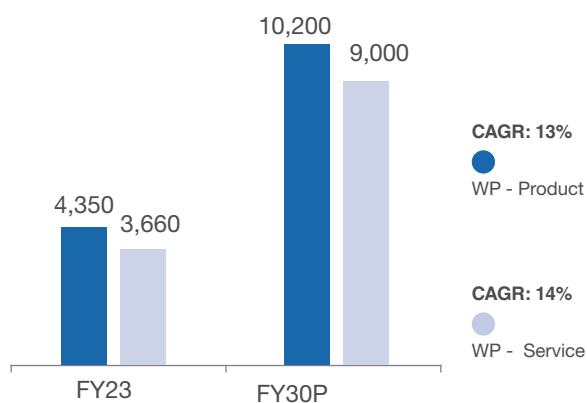
Water Purifier Penetration



Source: Technopak Report 2024, World Bank

India presents a vast total addressable market for both water purifier products and services due to a large base of non-users who still rely on traditional purification methods such as boiling, cloth, and sieves. Currently, urban penetration for water jars stands at 11%, while electric water purifiers have a slightly higher penetration rate of 12%. This indicates significant untapped potential for modern water purification solutions as more consumers transition from conventional methods to advanced technologies.

Water Purifier- Total Addressable Market (₹ Cr)



Source: Technopak Report 2024

The water purifier market in India is poised for impressive growth. According to Technopak, the water purifier product segment is projected to expand at a compound annual growth rate (CAGR) of 13% from FY 2022-23 to FY 2029-30, while the water purifier service segment is anticipated

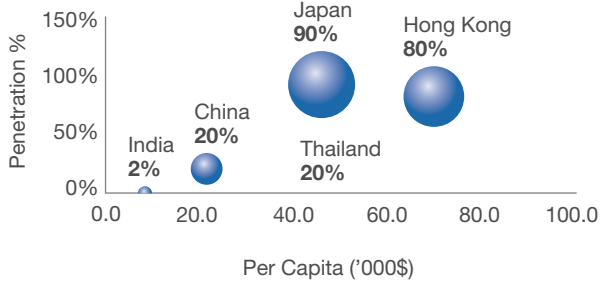
to grow at a robust CAGR of 14% over the same period. Additionally, the water softener segment is expected to experience a CAGR of 10%.

The Company's robust brand strength and enduring customer relationships, evidenced by its 62% first preference among consumers, and its extensive customer database of over 14+ million, provide a strong foundation for capturing a growing market share. With an omni-channel go-to-market strategy supported by a 4,200-strong frontline team and a service network that covers more than 19,500 pin codes, Eureka Forbes is well-positioned to reach a wide audience and address diverse consumer needs. Its focus on innovation and superior products across various price points aligns perfectly with the expanding market for water purifiers. Its ability to communicate effectively across different market segments and its ongoing efforts to penetrate underserved regions offer substantial growth potential. Moreover, the robust replacement market for water purifiers represents a significant opportunity for continued expansion. With these strategic advantages, Eureka Forbes is well-placed to leverage the growing demand and secure a leading position in the evolving water purifier landscape.

Vacuum cleaner industry

The vacuum cleaner market in India has been growing significantly. Several key factors are driving the market growth including favourable demographics, increasing female workforce participation and rising disposable incomes, which are driving higher purchasing power and, consequently, greater demand for home appliances. Rapid urbanisation is also a significant contributor, as a substantial portion of the population migrates to cities, leading to smaller living spaces that require efficient and convenient cleaning solutions. In this context, vacuum cleaners have emerged as a popular choice for urban households. The unpredictability of domestic help further highlights the need for reliable and convenient cleaning solutions, enhancing the appeal of vacuum cleaners in the Indian market. Furthermore, there is a growing awareness of the benefits of technology in making household tasks more efficient, leading to increased adoption of vacuum cleaners to access difficult-to-reach areas. This trend extends beyond homes with domestic help, as vacuum cleaners are increasingly used to improve chore management. In industrial and commercial settings, such as malls, the integration of manual labour with advanced technology boosts cleaning efficiency while maintaining aesthetic standards.

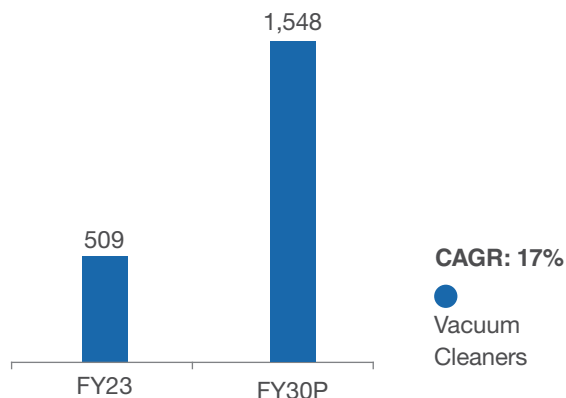
Vacuum Cleaner Penetration



Source: Technopak Report 2024, World Bank

India's vacuum cleaner penetration is considerably lower compared to its Asian counterparts, with a mere 2% per capita. In contrast, Japan dominates with a staggering 90% penetration rate, followed by Hong Kong at 80% and China at 20%. This significant gap highlights the vast potential for market growth in India. As awareness of cleanliness and health intensifies, demand for vacuum cleaners is expected to rise across residential, industrial, and commercial sectors, indicating a promising opportunity for market expansion and development. The Indian vacuum cleaner market is projected to grow at 17% CAGR during FY 2022-23- FY 2029-30. This growth is anticipated to be driven by growing awareness of hygiene in the post-pandemic era, coupled with the various benefits of vacuum cleaners.

Vacuum Cleaner- Total Addressable Market (₹ Crores)



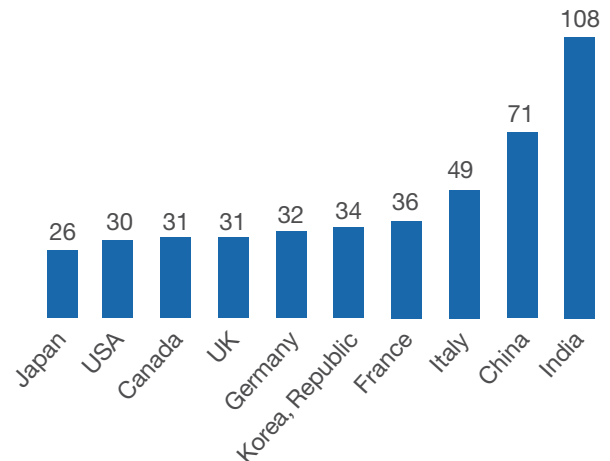
Source: Technopak Report 2024

Vacuum cleaners equipped with HEPA filters are particularly effective at removing household allergens such as pollen, dust, and pet dander. While deep-cleaning models remain popular, the rise in dust allergies has led to increased use of handheld vacuums for daily cleaning, mitigating risks of eye allergies and respiratory issues. Furthermore, government initiatives like the Swachh Bharat Mission, which promote cleanliness and sanitation, are also driving vacuum cleaner adoption across industrial, commercial, and residential sectors. These efforts are enhancing market opportunities for leading players by encouraging cleaner environments and supporting the growth of the vacuum cleaner industry.

Air purifier industry

Air quality in India has significantly deteriorated in recent years, impacting not only the northern regions or winter months but the entire country. The situation has been exacerbated by adverse winter conditions, contributing to worsening air quality indexes. India is home to 83 of the world's 100 most polluted cities, underscoring the severity of the problem.

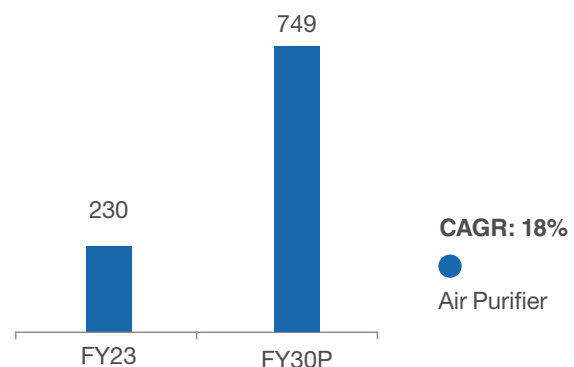
Global Air Quality Index



Source: IQAir

The rising levels of air pollution and air-borne diseases have propelled the demand for air purifiers, which are increasingly seen as essential for maintaining healthier indoor environments. The growing awareness of health issues and the pursuit of cleaner living spaces have led to a surge in the use of air purifiers in homes. Additionally, their application in industrial and commercial settings has become widespread, as they effectively combat construction dust, asbestos, weld smoke, and other pollutants, as well as eliminate odours and smoke particles. The air purifier market is projected to expand at a robust CAGR of 18% from FY 2022-23 to FY 2029-30, driven by the increasing need for effective air purification solutions across various sectors.

Air Purifier - Total Addressable Market (₹ Crores)

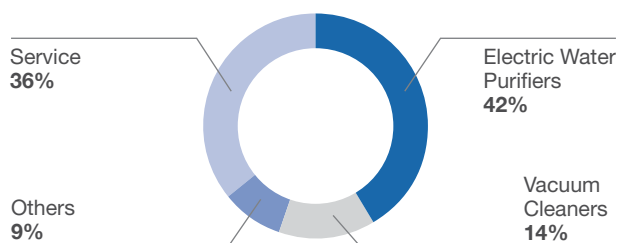


Source: Technopak Report 2024

BUSINESS DIVISIONS

Our business has a healthy spread of revenues across the product business and services business. Even within the respective portfolio, our offerings span various price segments. The same balanced revenue profile is also reflected in our channel split.

Revenue Contribution



Note: 1. Revenue Contribution for Continuing Business in FY24. 2. Other Revenue include Non-electric Water Purifiers, Air, Softener, B2B Water Products. 3. Service Revenue includes Sale of AMC, Filter and Spares.

STRENGTHENING EUREKA FORBES

EFL has demonstrated formidable marketing strength by effectively addressing key category barriers to drive market penetration. It tackled affordability issues with the launch of Aquaguard Sure and Aquaguard Delight, priced at ₹ 6,499, making advanced water purification solutions more accessible to a broader audience. To enhance relevance, the Company initiated a category-creating campaign specifically targeting users of cloth filters, resulting in 70% of new economy SKU buyers being new entrants to the category. Additionally, its distribution strategy expanded accessibility by establishing over 7,000 new category outlets, further broadening its market reach and strengthening its competitive position.

The Company's marketing strategy further excels through its premium innovations designed to drive product upgrades and faster replacement cycles. By focusing on elevating customer experience to best-in-class standards, it has made substantial investments in fortifying its service network, digitising the service experience, and enhancing the speed and quality of service delivery. These efforts have led to significant improvements in customer service, as evidenced by the highest-ever Net Promoter Scores (NPS) and over 70% of complaints being addressed within one hour.

Despite having a large installed base, the Company recognises that there is an opportunity to increase service uptake among its own customers. To address this, it has launched several initiatives, such as increasing awareness through targeted service campaigns and implementing authentication measures like QR codes on filters to combat the prevalence of counterfeit products. The introduction of tiered AMCs aims to make genuine service more affordable, while improved service access, including the commitment to one-hour response times, ensures greater convenience for customers. These comprehensive strategies are designed to capture a larger share of the service market and reinforce

the Company's position as a leader in customer satisfaction and service excellence.

EFL is strategically positioned to excel as a strong Direct 2 Consumer (D2C) business by focusing on the 3Cs: Convenience, Customisation, and Commerce. It enhances convenience through streamlined complaint management and tracking systems, while customisation is achieved by offering personalised AMCs. The commerce aspect is driven by effective cross-selling and replacement selling strategies.

Leveraging a rich dataset of 14 million customers and maintaining long-standing relationships across various life stages, EFL benefits from direct access to customers through physical channels. The Company's D2C strategy is already showing promising results. Its app, which boasts over 1 million active installations, facilitates digital interactions with over 76% of complaints booked online. The introduction of new, convenient UI/UX and personalised offers further enhances the customer experience, making it easier for users to engage with the Company's products and services. This approach not only strengthens customer relationships but also drives increased engagement and sales through its D2C channels.

BUSINESS PERFORMANCE

The execution of the transformation strategy has been planned in different phases keeping in mind business priorities. In FY24, the focus of the business was on restarting volume growth, building an innovation pipeline, achieving threshold profitability, making investments for the future and cash generation. FY 24 was the 1st full financial year of the transformation.

Our interventions restored volume growth and the latter part of the year witnessed several launches which added momentum. Our key launches for FY 24 include:

- **Water Purifiers:** Aquaguard SlimTech Glass, Aquaguard Blaze Insta, Aquaguard Designo Nxt, Aquaguard Aura 2X Life, Aquaguard Ritz, Aquaguard Marvel Nxt, Aquaguard Delight Nxt, Aquaguard Vector RO, RO UV Alkaline, Nova UV+UF+SS
- **Vacuum Cleaners:** Forbes Robotic Vacuum Cleaners, Forbes Uprights Vacuum Cleaners, Forbes Zerobend, Forbes Robo LVac Voice Nuo, Forbes Buddy Pet Grooming Kit
- **Air Purifiers:** Forbes Air Purifier 355 Surround 360°, Forbes Air Purifier 150 Surround 360

Cost optimisation program was initiated and resulted in significant savings in discretionary spends. The program is on going and will continue for further opportunities.

Significant investments were made in several areas for capability building and these now provide the platform for the next phase of the transformation.

FINANCIAL PERFORMANCE

Our FY24 Performance indicates a clear break-out from long term historical trends.
The break-out has been witnessed on all 3 parameters of revenue, profitability and cash.

| | Long- Term (FY12 - FY22) | FY 23 | FY 24 |
|---------------------------------|-----------------------------|------------------|---------------------|
| Volume growth - Product* | Negative | Low single digit | Strong double digit |
| Revenue Growth | Low single digit | 2.2% 6.1%** | 5.2% 7.9%** |
| Adj EBITDA % | 3.8% (avg) | 6.30% | 10.30% |
| Net Surplus/ (Debt) | Net Debt | ₹ (50) cr | ₹ 108 Cr |
| Market Share | Decline | Decline | Gain |

Note: * Electric Water Purifier + Vacuum cleaner, ** Continuing Business

Adjusted (Adj.) EBITDA is defined as PBT (before exceptional items) + Finance cost + Depreciation + ESOP charge less other non-operating income. Full year market share basis internal estimates.

Phase I Transformation

The Company's Phase I of transformation has significantly strengthened its financial profile by restoring product growth, achieving profitability thresholds, creating headroom for growth investments, investing in future capabilities and initiating cash generation. This robust foundation supports EFL's continued growth and strategically positions the Company for future advancements.

| Strategic Objectives | Key Initiatives | Outcomes |
|--|---|---|
| 01 Restore Product Growth | Drive Volume growth and Innovation launches | 12.7% Product revenue growth |
| 02 Achieve Threshold Profitability create headroom for growth investments | Reduce non-consumer facing discretionary spends | 17% other expense reduction vs FY23 |
| 03 Invest For Future Capabilities | Right size organisation & Invest in structural capabilities | 36% Head Count reduction; fully re-invested in capability creation |
| 04 Start Cash Generation | Operational efficiencies | ₹ 307 Cr cash generation; from DEBT to SURPLUS |

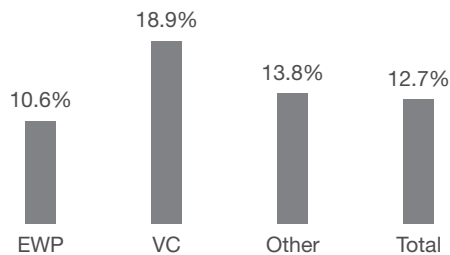
Notes:

1. Product Revenue growth is for FY24 and continuing business.
2. Other expense defines as Other expense less Advertisement and Sales promotion expense.
3. Headcount reduction as of 31st March 2024 vs as of 31st March 2022.
4. Capex increase in FY24 vs last 5 year average.
5. Cash generation since September 2022 to 31st March 2024.

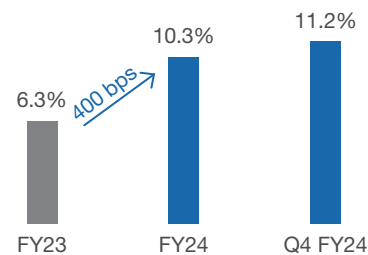
KEY FINANCIAL METRICS

In FY 2023-24, EFL demonstrated robust financial performance, with revenue climbing to ₹ 2,189.23 Crores from ₹ 2,080.42 Crores in FY 2022-23. EBITDA increased to ₹ 191.87 Crores, up from ₹ 131.68 Crores in the previous year. Additionally, the Company achieved a significant boost in net profitability, recording a PAT of ₹ 91.57 Crores compared to ₹ 17.08 Crores in FY 2022-23.

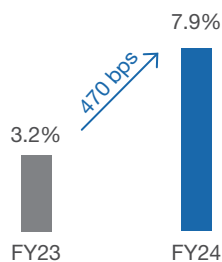
Product Revenue Growth



Adj. EBITDA Margin

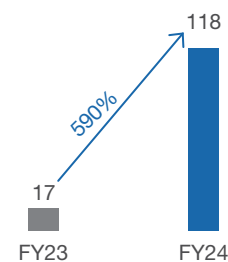


Adj. PBT Margin



Adj. PAT

(₹ Crores)



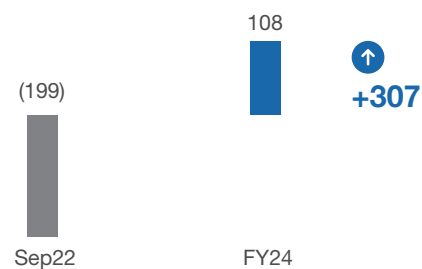
Capital Efficiency FY24

>100%
ROCE

Negative
Working Capital

Net Surplus/(Debt)

(₹ Crores)



1. Product Revenue growth is for FY24 and for continuing business.
2. Adjusted (Adj) EBITDA is defined as PBT (before exceptional items) + Finance cost + Depreciation + ESOP charge less other non-operating income.
3. Adjusted (Adj) PBT is defined as PBT (before exceptional items) + ESOP charge. Adjusted (Adj) PAT is defined as PAT reported + ESOP charges net of tax.
4. Working Capital equals to current assets minus current liabilities.

Key financial performance, operational highlights and ratio analysis financial performance

(₹ Crores)

| Particulars | Standalone | | Consolidated | |
|--|------------|----------|--------------|----------|
| | FY24 | FY23 | FY24 | FY23 |
| Revenue | 2,189.23 | 2,080.42 | 2,189.25 | 2,084.51 |
| Earning before interest, taxes, depreciation and amortisation (EBITDA) | 191.87 | 131.68 | 198.64 | 145.02 |
| Profit Before Tax (PBT) | 122.40 | 26.94 | 128.47 | 38.51 |
| Profit After Tax (PAT) | 91.57 | 17.08 | 95.65 | 26.47 |
| Fixed Asset | 270.66 | 270.25 | 273.60 | 272.96 |
| Total Comprehensive Income | 89.21 | 12.35 | 93.52 | 21.49 |
| Loan funds | 24.92 | 120.80 | 24.92 | 121.02 |

Key Financial Ratio

| Key ratio/indicator | Standalone | | Consolidated | | Refer Note |
|----------------------------|------------|------------|--------------|------------|------------|
| | FY 2023-24 | FY 2022-23 | FY 2023-24 | FY 2022-23 | |
| Debtors turnover (in days) | 22.00 | 24.00 | 22.00 | 24.00 | |
| Inventory turnover ratio | 3.96 | 3.42 | 3.76 | 3.27 | |
| Interest coverage ratio | 13.60 | 2.36 | 14.14 | 2.90 | a |
| Current ratio | 0.61 | 0.49 | 0.64 | 0.52 | |
| Debt equity ratio | 0.01 | 0.03 | 0.01 | 0.03 | b |
| Operation profit margin | 4.51% | 1.54% | 4.70% | 2.00% | c |
| Net profit margin | 4.18% | 0.82% | 4.37% | 1.27% | d |
| Return on the net worth | 2.21% | 0.42% | 2.30% | 0.65% | d |
| Basic EPS (₹) | 4.73 | 0.88 | 4.94 | 1.37 | c |

Notes: Explanation for change in the ratio by more than 25%

- Higher earning and repayment of borrowings during current year.
- Repayment of borrowings during current year.
- Higher net profit after tax during the current year due to increased operational revenue and effective cost management.
- Higher net profit after tax during the current year with improved efficiency.

RISK MANAGEMENT

The Company has a robust risk management system covering all aspects of business including all essential operations, functional areas and business segments. The Risk Management framework ensures the safeguarding of the interests of all stakeholders led by thorough identification, analysis, and mitigation of foreseeable business risks. A bottoms-up approach ensures timely risk recognition which helps in undertaking appropriate risk mitigation measures. The flexible nature of the risk management framework allows it to accommodate shifting business requirements.

For more details please refer to the Risk Management section of the Integrated Annual Report.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

The Company has framed its Internal Financial Controls (IFC) in adherence to Section 134(5)(e) of the Companies Act, 2013 (Act). The IFC ensures organised and efficient business operations, safeguarding of assets, adherence to established policies, prevention of frauds and errors and thorough maintenance of accounting records. The internal controls are in accordance with the size and complexity of business operations providing reasonable assurance regarding all the aforementioned IFC elements.

HUMAN RESOURCES

Human capital is considered an essential pillar of organisational growth at EFL. The Company strongly believes that its people will be the key to the success of this transformation. Significant investments have been made in creating fresh capabilities while equally preserving our legacy strengths.

Our key focus is to foster a sense of ownership in our EuroChamps. We also recognise that we also need to reimagine our culture codes and have rolled out several learning and development interventions which in turn results in a robust team with an optimistic work environment. The Company fosters diversity and inclusivity. The HR team promotes a performance led work culture providing equal growth opportunities and a sense of ownership amongst all employees. The team ensures that employee goals are aligned with business goals. Employees are an integral part of the organisational growth creating sustainable value for all stakeholders. EFL continues to promote a performance-led work culture intertwined with high importance for teamwork. The Company constantly looks to strengthen its talent pool to further enhance efficiency and responsibility.

OUTLOOK

With the water purifier, vacuum cleaner, and air purifier industries on a double digit growth trajectory, Eureka Forbes is strategically positioned to emerge as a leading

beneficiary. With its robust product portfolio and innovative strategies, the Company is well-equipped to capitalise on the expanding market opportunities.

We are embarking on an ambitious re-imagination of our business model to ensure long-term success over the next forty years. Leveraging our deep, long-standing strengths, we are actively rebuilding our foundations to adapt to current and future market demands. Operating in categories that are currently under-penetrated, Eureka Forbes has a long runway for growth. We have an exciting transformation strategy designed to reposition the Company in the market and drive sustained, profitable growth. To lead this transformative journey and achieve our ambitious goals, we have assembled a high-caliber team. While the early results have been encouraging, the Company is confident that its best achievements are yet to come, signalling a bright future ahead.

AWARDS AND ACCOLADES

During the year, the Company won the following awards:

- Red Dot Quality Label Winner 2024 for the outstanding product quality and design
- EFFIE 2023, SILVER in the Home Furnishings and Appliances Category for the highly successful campaign - 'Sar Ka Kapda Hatana hai toh pehle Nal ka Kapda Hatana Hoga'

CAUTIONARY STATEMENT

Statements forming part of the Management Discussion and Analysis Report covered in this Report may be forward-looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include demand and supply conditions, changes in government regulations, exchange rates, tax laws, monsoons, natural hazards, national and global economic developments and other factors.

BOARD'S REPORT

Dear Member,

Your Directors are pleased to present to you the report on the business and operations of your Company along with the Audited Financial Statements, both Standalone and Consolidated of the Company, for the Financial Year ended March 31, 2024.

1. FINANCIAL HIGHLIGHTS

(₹ in Lakhs)

| Particulars | Standalone | | Consolidated | |
|--|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| | Financial Year ended March 31, 2024 | Financial Year ended March 31, 2023 | Financial Year ended March 31, 2024 | Financial Year ended March 31, 2023 |
| Revenue and other Income (Total Revenue) | 2,19,775.57 | 2,09,083.84 | 2,19,802.97 | 2,09,473.85 |
| Earnings before Finance Cost, Depreciation, Share of Net Profit of Joint ventures and before Exceptional Items & Tax | 19,186.56 | 13,168.01 | 19,864.47 | 14,501.62 |
| Profit after Finance Cost, Depreciation, Share of Net Profit of Joint ventures and before Exceptional Items & Tax | 13,755.24 | 6,695.79 | 14,362.27 | 7,852.98 |
| Profit before Tax (PBT) | 12,240.34 | 2,693.99 | 12,847.37 | 3,851.18 |
| Tax Expense | 3,083.49 | 985.97 | 3,282.40 | 1,203.94 |
| Profit for the year | 9,156.85 | 1,708.02 | 9,564.97 | 2,647.24 |
| Other Comprehensive Income | (235.88) | (472.78) | (212.70) | (498.35) |
| Total Comprehensive Income | 8,920.97 | 1,235.24 | 9,352.27 | 2,148.89 |
| Earnings Per Share - Basic (₹) | 4.73 | 0.88 | 4.94 | 1.37 |
| Earnings Per Share - Diluted (₹) | 4.72* | 0.88 | 4.93* | 1.37 |

*Impact due to grant of Stock Options has been considered while arriving at the diluted EPS.

The Consolidated and Standalone Financial Statements of your Company for the Financial Year ended March 31, 2024 have been prepared in accordance with Indian Accounting Standards (IND-AS), the relevant provisions of Sections 129 and 133 of the Companies Act, 2013 ("the Act") and Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations/SEBI LODR") which have been reviewed by the Statutory Auditors.

2. OVERVIEW OF COMPANY'S FINANCIAL PERFORMANCE

- Standalone income, comprising Revenue from Operations and other income, for the year was ₹ 2,19,775.57 Lakhs, 5.11% higher compared to ₹ 2,09,083.84 Lakhs in Financial Year 2022-23.
- Total Standalone Revenue from Operations for the year increased to ₹ 2,18,922.63 Lakhs vis-à-vis ₹ 2,08,041.88 Lakhs in Financial Year 2022-23.
- Standalone Profit before Tax for the year was ₹ 12,240.34 Lakhs vis-à-vis ₹ 2,693.99 Lakhs in Financial Year 2022-23.
- Standalone Profit after Tax for the year was ₹ 9,156.85 Lakhs compared to ₹ 1,708.02 Lakhs in Financial Year 2022-23.
- Consolidated income, comprising Revenue from Operations and other income, for the year was ₹ 2,19,802.97 Lakhs, 4.93% higher compared to ₹ 2,09,473.85 Lakhs in Financial Year 2022-23.
- Total Consolidated Revenue from Operations for the year increased to ₹ 2,18,925.02 Lakhs vis-à-vis ₹ 2,08,450.51 in Financial Year 2022-23.
- Consolidated Profit before Tax for the year was ₹ 12,847.37 Lakhs vis-à-vis ₹ 3,851.18 Lakhs in Financial Year 2022-23.

- Consolidated Profit after Tax for the year was ₹ 9,564.97 Lakhs compared to ₹ 2,647.24 Lakhs in Financial Year 2022-23.

3. CHANGE IN THE NATURE OF BUSINESS

During the year under review, there was no change in the nature of the business of the Company.

4. MANAGEMENT DISCUSSION & ANALYSIS REPORT

Management Discussion & Analysis Report as stipulated under the SEBI Listing Regulations is presented in a separate section forming part of this Integrated Annual Report. It provides details about the overall industry structure and development, opportunities and threats, performance of various products, outlook, risks and concerns.

5. DIVIDEND

Your Directors propose to retain the entire Profit After Tax (PAT) in the Statement of Profit and Loss and do not recommend any dividend. The balance in the Statement of Profit and Loss account remains available for distribution in future.

Pursuant to Regulation 43A of the SEBI Listing Regulations, your Company has approved and adopted a Dividend Distribution Policy. The same is available on the website of the Company at the link: www.eurekaforbes.com/media/investor-relations/Dividend-Distribution-Policy.pdf.

During the year under review, the Board of Directors made certain revisions to the Dividend Distribution Policy to better serve the interests of the Company and its shareholders. These revisional aspects of the policy are to ensure that it remains aligned with the Company's financial goals, capital requirements, the expectations of shareholders and SEBI Listing Regulations. By conducting this review, the Board aimed to uphold transparency, accountability and responsible stewardship of shareholder funds.

6. TRANSFER TO RESERVES

Your Company does not propose to transfer any amount to the General Reserve.

7. UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND ("IEPF")

As per the provisions of the Act read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all unpaid or unclaimed dividends are required to be transferred to the IEPF Authority, after completion of seven years.

Further, according to the said Rules, the shares on which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the IEPF Authority. Although the

Company has never declared a dividend, there are shares in the Investor Education and Protection Fund (IEPF) due to a Composite Scheme of Arrangement.

Members whose shares are transferred to IEPF as stated above, can still claim the shares from the IEPF Authority by submitting an application in Web Form No. IEPF-5 available on www.iepf.gov.in. The voting rights on shares transferred to the IEPF Authority shall remain frozen until the rightful owner claims the shares. The shares held in such Demat account shall not be transferred or dealt with in any manner whatsoever except for the purpose of transferring the shares back to the claimant as and when he approaches the Authority. All benefits except rights issue accruing on such shares e.g. bonus shares, split, consolidation, fraction shares etc., shall also be credited to such Demat account. Any further dividend received on such shares shall be credited to the IEPF Fund.

8. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED DURING THE FINANCIAL YEAR AND BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

There were no material changes and commitments affecting the financial position of the Company, that have occurred during the Financial Year and between the end of the Financial Year to which the Financial Statements relate and the date of this report.

9. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

No significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

10. SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANIES

Your Company has three (03) Direct Subsidiaries and one (01) Step-down Subsidiary.

During the year under review, the Board of your Company approved closure of Euro Forbes Limited, subsidiary of the Company and Forbes Lux FZE, Wholly-Owned Subsidiary ("WOS") of Euro Forbes Limited.

The details of the Subsidiaries are as follows:

a. Forbes Aquatech Limited

Forbes Aquatech Limited having CIN: U28122KA2003PLC032492 is a Subsidiary of the Company incorporated on September 03, 2003

to manufacture, buy, sell, exchange, alter, improve, market, distribute, import or export or otherwise deal in all kinds of water filters, water purifiers, purifiers of all types and kinds, and allied products and also to supply, undertake and execute any works involving or relating to water purifiers, water filters, other products for purification of water or any other liquids or material of all kinds.

Total Revenue booked for the Financial Year ended March 31, 2024 was ₹ 562.53 Lakhs (including ₹ 14.95 Lakhs as other income). The Profit After Tax for the current year was ₹ 9.69 Lakhs as compared to a loss of ₹ 74.13 Lakhs in the previous year.

b. Infinite Water Solutions Private Limited

Infinite Water Solutions Private Limited having CIN: U74999MH2008PTC180918 is a WOS of the Company incorporated on April 27, 2008 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, including manufacturing and processing of home reverse osmosis membrane elements and other related water treatment products and also 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.

Total Revenue booked for the Financial Year ended March 31, 2024 was ₹ 5,716.03 Lakhs (including ₹ 32.36 Lakhs as other income). The Profit after Tax for the current year was ₹ 559.31 Lakhs as compared to a profit of ₹ 701.51 Lakhs in the previous year.

c. Euro Forbes Limited

Euro Forbes Limited having registration number 145214 is a WOS incorporated on April 12, 2011 in Dubai to carry out general trading and investment holding worldwide and to invest in Companies/ Properties, joint Business Ventures with overseas entities and Investment in Overseas Entities and also Investment in properties of Dubai World, Nakeel, Emaar, Dubai Holdings and/or any other approved projects by Jebel Ali Free Zone.

Total Revenue booked for the Financial Year ended March 31, 2024 was ₹ 0.39 Lakhs (including 0.39 Lakhs as other income). Net Profit After Tax was ₹ 0.39 Lakhs as compared to a loss of ₹ 7.38 Lakhs in the previous year.

d. Forbes Lux FZE

Forbes Lux FZE having registration number 147235, is a WOS of Euro Forbes Limited, Dubai and is a step-down Subsidiary of the Company incorporated on June 26, 2011 in Dubai to trade in Cookers & Cook Stoves Trading, Refrigerators, Washing Machines & Household Electrical Appliances, Trading Water Heaters, Filters & Purifications Devices, Electrical & Electronic Appliances Spare Parts.

Total Revenue booked for the Financial Year ended March 31, 2024 was ₹ 53.76 Lakhs (including ₹ 53.76 Lakhs as other income). Net Loss After Tax was ₹ 123.23 Lakhs as compared to a loss of ₹ 617.84 Lakhs in the previous year.

The Company does not have any material subsidiary. The policy for determining material subsidiaries of the Company has been provided in the following link www.eurekaforbes.com/media/investor-relations/Policy-on-Material-Subsidiary.pdf.

Pursuant to Section 136 of the Act, the Audited Financial Statements including the Consolidated Financial Statements and related information of the Company and Audited Annual Accounts of each of its Subsidiaries are placed on the website of the Company at: www.eurekaforbes.com/investor-relations/financial-information/subsidiaries-eurekaforbes-ltd/.

Further, the Company does not have any Associate or Joint Ventures. Further, no companies became or ceased to be subsidiaries, Joint Ventures or Associate Companies of the Company during the year under review.

Pursuant to Section 129(3) of the Act, statement containing the salient features of the Financial Statements of the Company's subsidiaries are set out in the Form AOC-1, attached herewith as **Annexure – 1**.

11. EMPLOYEE STOCK OPTION PLAN 2022

The Company had by way of Postal Ballot passed a special resolution on November 10, 2022, to approve the Employee Stock Option Plan 2022 ("ESOP 2022") in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

ESOP 2022 was conceptualised with a view to motivate the key workforce seeking their contribution to the corporate growth, to create an employee ownership culture, to attract, retain, incentivise, and motivate its eligible employees for ensuring sustained growth.

Under the above plan, the Company can grant up to 1,75,21,597 (One Crore Seventy-Five Lakhs

Twenty-One Thousand Five Hundred and Ninety-Seven) options exercisable into not more than 1,75,21,597 (One Crore Seventy-Five Lakhs Twenty-One Thousand Five Hundred and Ninety-Seven) fully paid-up equity shares of ₹ 10/- (Rupees Ten Only) each.

During the year under review, 1,56,79,262 (One Crore Fifty-Six Lakhs Seventy-Nine Thousand Two Hundred and Sixty-Two) options were granted to the eligible employees under ESOP 2022.

The disclosures required to be made under SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 are made available on the website

of the Company under www.eurekaforbes.com/media/investor-relations/ESOP-Disclosure/FY-2023-24.pdf.

12. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has not given any loan or provided any security or guarantee which are covered under the provisions of Section 186 of the Act during the year under review.

The details of investments made by the Company under Section 186 of the Act forms part of this Integrated Annual Report and are given in the Notes to the Standalone Financial Statements for the Financial Year ended March 31, 2024.

13. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

i. Board of Directors

There was no change in the composition of the Board of Directors during the year under review.

| Sr. No. | Name of the Director | Designation |
|---------|-----------------------------|---|
| 1. | Mr. Arvind Uppal | Chairman, Non-Executive, Non-Independent Director |
| 2. | Mr. Pratik Rashmikanth Pota | Managing Director & CEO |
| 3. | Mr. Sahil Dilip Dalal | Non-Executive, Non-Independent Director |
| 4. | Mr. Vinod Rao | Independent Director |
| 5. | Mrs. Gurveen Singh | Independent Director |
| 6. | Mr. Homi Adi Katgara | Independent Director |
| 7. | Mr. Shashank Shankar Samant | Independent Director |

None of the Directors are disqualified from being appointed as the Director of the Company in terms of Section 164 of the Act. During the year under review, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission, perquisites and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board/Committees of the Company.

In accordance with the provisions of Section 152 of the Act and the Company's Articles of Association, Mr. Sahil Dilip Dalal (DIN:07350808) is liable to retire by rotation at the Annual General Meeting ("AGM") and being eligible offers himself for re-appointment. The Board recommends re-appointment of Mr. Sahil Dilip Dalal for the consideration of the Members of the Company at the forthcoming AGM. The relevant details including profile of Mr. Sahil Dilip Dalal is included separately in the Notice of AGM and Report on Corporate Governance, forming part of this Integrated Annual Report.

ii. Key Managerial Personnel (KMP)

Following were the Key Managerial Personnel (KMP) as on March 31, 2024 and as on date pursuant to Sections 2(51) and 203 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

| Sr. No. | Name of the KMP | Designation |
|---------|------------------------------|--|
| 1. | Mr. Pratik Rashmikanth Pota | Managing Director & CEO |
| 2. | Mr. Gaurav Pradip Khandelwal | Chief Financial Officer |
| 3. | Ms. Pragya Kaul | Company Secretary & Compliance Officer |

14. BOARD OF DIRECTORS

a. Declaration by Independent Director

The Board confirms that based on the written affirmations from each Independent Director, all Independent Directors fulfil the conditions specified for independence as stipulated in Regulation 16 of the SEBI Listing Regulations,

as amended, read with Section 149(6) of the Act along with rules framed thereunder and are independent of the Management. Further, the Independent Directors have also registered their names in the Databank maintained by the Indian Institute of Corporate Affairs ("IICA"), Manesar, Gurgaon as mandated in the Companies (Appointment and Qualification of Directors),

Rules, 2014. None of the Independent Directors have any other material pecuniary relationship or transaction with the Company, its Promoters, or Directors, or Senior Management which, in their judgement, would affect their independence. In terms of Regulation 25(8) of the SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence. Further, none of the Directors are related to each other.

b. Number of Meetings of Board

During the year under review, 06 (Six) Meetings of the Board of Directors were held. The details of such meetings held and attended by the Directors during the Financial Year 2023-24 are given in the Corporate Governance Report which forms part of this Integrated Annual Report.

The maximum interval between any two meetings did not exceed 120 days, as prescribed by the Act and the SEBI Listing Regulations.

c. Annual Evaluation of the Board

Evaluation of the Board, Directors, Committees etc. are done on an annual basis. The process is led by the Nomination and Remuneration Committee with specific focus on the performance vis-à-vis the plans, meeting challenging situations, performing leadership role within, effective functioning of the Board, time spent by each of the Directors, accomplishment of specific responsibilities and expertise, conflict of interest, integrity of Director, active participation and contribution during discussions.

The details of the Annual Board Evaluation process for Directors form a part of the Corporate Governance Report of this Integrated Annual Report.

d. Policy on Directors' Appointment and Remuneration and Other Details

Your Company has a Nomination and Remuneration Policy for Directors and Senior Managerial Personnel in compliance with the provisions of Section 178 of the Act and Regulation 19 of SEBI Listing Regulations as approved by the Nomination and Remuneration Committee and the Board.

The policy is available on the website of the Company at www.eurekaforbes.com/media/investor-relations/Nomination-and-Remuneration-Policy-new.pdf.

e. Familiarisation Programme for Independent Directors

Pursuant to Regulation 25(7) of the SEBI Listing Regulations, your Company has put in place a system to familiarise its Independent Directors with their roles, responsibilities in the Company, nature of the industry, business model, processes, policies and the technology and the risk management systems of the Company, the operational and financial performance of the Company and significant developments so as to enable them to take well informed decisions in timely manner.

During the Financial Year 2023-24, familiarisation programmes were conducted and the Independent Directors were updated from time to time on continuous basis on Company's business model, risks & opportunities, significant changes in the regulations and duties and responsibilities of Independent Directors under the Act and SEBI Listing Regulations and other matters.

The policy on Company's familiarisation program for Independent Directors is hosted on the Company's website at www.eurekaforbes.com/media/investor-relations/Familiarisation-Programme-for_Independent-Directors.pdf.

f. Opinion of the Board with regard to integrity, expertise and experience (including the proficiency) of the Independent Directors appointed during the year

The Board after taking the Independent Directors' respective declarations/disclosures on record and acknowledging the veracity of the same, is of the opinion that the Independent Directors of the Company possess requisite qualification(s), experience, expertise, hold highest standards of integrity and are independent of the management of the Company.

15. COMMITTEES OF THE BOARD

The Committees constituted by the Board focus on specific areas and take informed decisions within the framework of delegated authority, and make specific recommendations to the Board on matters within their areas or purview. The decisions and recommendations of the Committees and minutes of meetings of Committees are placed before the Board for information and/or for approval, as required. During the year under review, all recommendations received from its Committees were accepted by the Board.

The details of the Board and its Committees along with their composition, meetings held during the year are given under Corporate Governance Report forming part of this Integrated Annual Report.

16. DEPOSITS

Your Company has not accepted any public deposit and as such no amount on account of principal or interest on public deposit under Section 73 and 74 of the Act, read together with the Companies (Acceptance of Deposits) Rules, 2014 was outstanding as on the date of the Balance Sheet.

17. RISK MANAGEMENT POLICY

Your Company has implemented a comprehensive risk management system that covers all essential operations, and functional areas. The Company has put in place a comprehensive risk management framework to identify, analyse, and mitigate business risks with the objective of safeguarding the interests of its stakeholders. The Company's risk management framework is designed to ensure that risks are recognised and dealt with from the top down to the bottom up in a timely and appropriate manner. It is also kept flexible to accommodate shifting business requirements.

Broadly, key risks identified by the Management covers risk related to Regulatory/Compliance Risk, Market Risk, Consumer/Reputation Risk, Supply Chain Risk, Information/Cyber Security Risk and People Risk.

18. INTERNAL FINANCIAL CONTROL

Your Company has a defined system of internal controls for financial reporting of transactions and compliance with relevant laws and regulations commensurate with its size and nature of business. The Company also has a well-defined process for ongoing management reporting and periodic review of businesses.

There is an active internal audit function carried out entirely by M/s. PricewaterhouseCoopers (PwC) an external Chartered Accountant firm. As part of the efforts to evaluate the effectiveness of internal control systems, the internal audit department reviews the control measures periodically and recommends improvements, wherever appropriate.

The Audit Committee regularly reviews the audit findings as well as the adequacy and effectiveness of the internal control measures. Based on their recommendations, the Company has implemented a number of control measures both in operational and accounting related areas, apart from security related measures.

19. CORPORATE SOCIAL RESPONSIBILITY ("CSR")

Your Company is dedicated to add value to every individual in the country through its business by integrating societal, economic, environmental and sustainable commitments. Business practices of the Company shall contribute to make the world a better

place. The main CSR objective of the Company is to promote healthcare, sanitation, hygiene including preventive healthcare and making available safe drinking water.

Disclosures as required under Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 are annexed to this Report as **Annexure – 2**. The CSR Policy is hosted on the website of the Company at www.eurekaforbes.com/cms/assets/prod/Charter_of_CSR_Committee_and_Policy_.pdf.

20. AUDITORS AND AUDITORS' REPORT

a. Statutory Auditors:

In terms of provisions of Section 139 of the Act and the Companies (Audit and Auditors) Rules, 2014, M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, (Firm Registration No. 117366W/W-100018) were appointed as the Statutory Auditors of the Company at the 13th Annual General Meeting held on December 22, 2022 to hold office for a term of five consecutive Financial Years from the conclusion of the 13th Annual General Meeting until the conclusion of the 18th Annual General Meeting of the Company.

The Report given by the Statutory Auditors on the Financial Statements of the Company is part of this Integrated Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Statutory Auditors in their Report. During the year under review, the Statutory Auditors have not reported any fraud under Section 143(12) of the Act.

b. Secretarial Auditors:

The Board at its meeting held on May 29, 2023, appointed M/s. Mihe Halani & Associates, Practicing Company Secretaries (COP No. 12015) as Secretarial Auditors of the Company to conduct the Secretarial Audit for Financial Year 2023-24.

The Secretarial Audit Report is annexed herewith as **Annexure - 3** to this Report.

The said report does not contain any observation or qualification requiring explanation or comments from the Board under Section 134(3) of the Act.

Further, the subsidiaries of the Company are not material subsidiaries. Therefore, the provisions regarding the Secretarial Audit as mentioned in Regulation 24A of the SEBI Listing Regulations as amended, do not apply to such subsidiaries.

c. Cost Auditors:

In terms of provisions of Section 148(1) of the Act read with the Companies (Cost Records and Audit) Rules, 2014, your Company is required to maintain cost accounting records and is required to get its cost accounts audited.

M/s. J. Chandra & Associates, Cost Accountants, have carried out the Cost audit of the Company for the Financial Year 2023-24.

During the year under review, the Cost Auditor has not reported any fraud under Section 143(12) of the Act.

21. SHARE CAPITAL

During the year under review, there was no change in the Capital Structure of the Company.

- a. **Buy Back of Securities:** The Company has not bought back any of its securities during the year under review.
- b. **Sweat Equity:** The Company has not issued any Sweat Equity Shares during the year under review.
- c. **Bonus Shares:** No Bonus Shares were issued during the year under review.
- d. **Shares with differential rights:** The Company has not issued any equity shares with differential rights during the year under review.
- e. During the year under review, the Company has not made any provision of money for the purchase of, or subscription for, shares in your Company or its holding Company, to be held by or for the benefit of the employees of the Company and hence the disclosure as required under Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014 is not required.

22. DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

Your Company has zero tolerance for sexual harassment at workplace and has formulated a comprehensive policy on Prevention, Prohibition and Redressal against Sexual Harassment of Women at Workplace, which is also in accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH"). The said policy has been made available on the internal portal of the Company.

Your Company has constituted an Internal Complaints Committee ("ICC") under the POSH and has complied with the provisions relating to the same. All employees

(permanent, contractual, temporary, trainees) are covered under this Policy. The constitution of ICC is as per the POSH Act and includes an external member who is an independent POSH consultant with relevant experience. The Company has an e-learning tool on POSH for all regular employees and also for induction of new employees.

During Financial Year 2023-24, 1 complaint was received pertaining to sexual harassment and post an elaborate investigation, the accused employee was terminated from service.

23. COMPLIANCE WITH SECRETARIAL STANDARDS

Your Company has complied with all the applicable provisions of Secretarial Standards on Meetings of Board of Directors (SS-1) and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

24. CREDIT RATING

During the year under review, the Company's credit rating was revised from CARE A/Stable for long term bank facilities to CARE A+/Stable. The details of Credit Rating are available on the website of the Company at www.eurekaforbes.com/investor-relations/shareholders-information/credit-rating.

25. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

The information in accordance with the provisions of Section 134(3)(m) of the Act regarding conservation of energy, technology absorption, and foreign exchange earnings and outgo is attached herewith as **Annexure – 4** and forms part of this Integrated Annual Report.

26. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

In accordance with the requirements of the Act and SEBI Listing Regulations, the Policy on Materiality of Related Party Transactions and dealing with Related Party Transactions as approved by the Board is uploaded on the Company's website at the web link www.eurekaforbes.com/media/investor-relations/Policy-on-Materiality-of-Related-Party-Transactions-and-on-dealing-with-Related-Party-Transactions.pdf.

This policy deals with the review and approval of Related Party Transactions. The Board of Directors of the Company have approved the criteria to grant omnibus approval by the Audit Committee within the overall framework of the policy on related party transactions. Prior omnibus approval is obtained for related party transactions which are of repetitive nature and entered in the ordinary course of business and at arm's length.

All Related Party Transactions during the Financial Year 2023-24, were reviewed and approved by the Audit Committee and were on arm's length basis and in the ordinary course of business. There were no material transactions with Related Parties during the year as per the last Audited Financial Statements. Accordingly, the disclosure of transactions entered into with Related Parties pursuant to the provisions of Section 188(1) of the Act and Rule 8(2) of the Companies (Accounts), Rules 2014 in Form AOC-2 is not applicable.

Related Party Transactions entered during the year under review are disclosed in the notes to the Financial Statements.

27. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134 of the Act, the Board of Directors, to the best of their knowledge and belief and according to the information and explanations obtained by them confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit of the Company for that period;
- c) they have taken proper and sufficient care for the 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 fraud and other irregularities;
- d) they have prepared the annual accounts on a going concern basis;
- e) they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively; and
- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

28. HUMAN RESOURCE DEVELOPMENT & INDUSTRIAL RELATIONS

The Human Resources (HR) Function has closely partnered with business to accelerate business growth. The HR team has worked on creating understanding and alignment to the company goals, created a platform for employees to share their feedback on company culture and started embedding the new Eureka Forbes behaviours through various Reward and

Recognition programmes. In a transformation, the HR function is responsible to hire the right talent, develop employees in terms of skills and raise organisation performance through the right set of long terms and short term incentive programmes.

29. ANNUAL RETURN

Pursuant to Section 92 of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return is available on the website of the Company under www.eurekaforbes.com/media/investor-relations/Eureka-Forbes-Limited-Annual-Return-FY-2023-24.pdf.

30. PARTICULARS OF EMPLOYEES AND REMUNERATION

Disclosures concerning the remuneration of Directors, KMPs and employees as per Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in **Annexure – 5** to this Report. Your Directors affirm that the remuneration paid to Directors, KMPs and employees is as per the remuneration policy of the Company.

Details of employee remuneration as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the Members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection and any Member interested in obtaining a copy of the same may write to the Company Secretary.

31. WHISTLE BLOWER POLICY

In compliance with Section 177(9) of the Act and Regulation 22 of SEBI Listing Regulations, your Company has adopted a Whistle Blower Policy. The Audit Committee oversees the functioning of this policy.

The Company's Whistle Blower Policy aims to provide the appropriate platform and protection for Whistle Blowers to report instances of fraud and mismanagement, if any, to promote reporting of any unethical or improper practice or violation of the Company's Code of Conduct or complaints regarding accounting, auditing, internal controls or suspected incidents of violation of applicable laws and regulations including the Company's Code of Conduct or Code for Prevention of Insider Trading and Policy of Fair Disclosure of Unpublished Public Sensitive Information.

The Whistle Blower Policy provides a mechanism for Employees of the Company to approach the Chairman of the Audit Committee of the Company for redressal. Details of the Whistle Blower policy are covered in the Corporate Governance Report, which forms part of this Integrated Annual Report and are made available on the Company's website at: www.eurekaforbes.com/media/pdf/whistle-blower-policy.pdf.

32. CORPORATE GOVERNANCE

Pursuant to Regulation 34(3) read with Schedule V of the SEBI Listing Regulations, a separate section on Corporate Governance practices followed by the Company, together with a Certificate from Practicing Company Secretary confirming compliance conditions, as required under Regulation 27 of the SEBI Listing Regulations forms an integral part of this Report and is annexed herewith as **Annexure - 6**.

33. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (BRSR)

Pursuant to Regulation 34(2)(f) of the SEBI Listing Regulations, top 1000 listed entities based on market capitalisation are required to include Business Responsibility and Sustainability Report (BRSR) with their Annual Report, in the format as specified by SEBI.

The BRSR of your Company for Financial Year 2023-24 is aligned with the Nine (9) principles of the National Guidelines on Responsible Business Conduct notified by the Ministry of Corporate Affairs, Government of India and forms part of this Integrated Annual Report as **Annexure - 7**.

34. DETAILS OF APPLICATIONS, APPROVED OR PENDING UNDER INSOLVENCY AND BANKRUPTCY CODE, 2016

Your Company, in the capacity of Creditor, has not filed any applications with National Company Law Tribunal under the Insolvency and Bankruptcy Code, 2016 during the Financial Year 2023-24 for recovery of any outstanding loans against any customer. Further, no

application has been filed with National Company Law Tribunal under the Insolvency and Bankruptcy Code, 2016 against your Company for recovery of any debt during the year under review.

35. DIFFERENCE IN VALUATION DONE FOR ONE-TIME SETTLEMENT AND VALUATION DONE WHILE TAKING A LOAN FROM BANKS OR FINANCIAL INSTITUTIONS

During the year under review, your Company has not entered into one-time settlement with any Bank or financial institution.

36. INTEGRATED REPORTING

We are pleased to inform that the Company has voluntarily published its first Integrated Annual Report for Financial Year 2024, which includes both financial and non-financial information and is based on the International Integrated Reporting Council ("IIRC"). This report covers aspects such as organisation's strategy, governance framework, performance, risk management and prospects of value creation based on the six forms of capitals viz., Financial Capital, Intellectual Capital, Manufactured Capital, Human Capital, Natural Capital, and Social and Relationship Capital.

37. APPRECIATION & ACKNOWLEDGEMENTS

Your Directors take this opportunity to thank sincerely and acknowledge with gratitude, the contribution, co-operation and assistance received from customers, vendors, dealers, suppliers, investors, business associates, bankers, Government authorities and other stakeholders for their continued support during the year.

Further, the Board places on record its deep appreciation for the enthusiasm, co-operation, hard work, dedication and commitment of the employees at all levels. The enthusiasm and unstinting efforts of the employees have enabled the Company to remain an industry leader.

On behalf of the Board of Directors of
Eureka Forbes Limited

Arvind Uppal
Chairman
(DIN: 00104992)

Place: Gurugram
Date: August 08, 2024

Annexure – 1

FORM AOC -1

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Subsidiaries/
Associate Companies and Joint Ventures

PART "A": SUBSIDIARIES

| 1 | Sr. No. | 1 | 2 | 3 | | 4 | |
|----|---|-------------------------|--|----------------------------|-------------|---------------------------|-------------|
| 2 | Name of Subsidiary | Forbes Aquatech Limited | Infinite Water Solutions Private Limited | Euro Forbes Limited, Dubai | | Forbes Lux FZE, Dubai**** | |
| | | ₹ Lakhs | ₹ Lakhs | US\$-Lakhs | ₹ Lakhs | US\$-Lakhs | ₹ Lakhs |
| 3 | Date since when subsidiary was acquired | 01-02-2022 | 01-02-2022 | 01-02-2022 | | 01-02-2022 | |
| 4 | Reporting Period of Subsidiary concerned, if different from the Holding Company's reporting period* | 31-03-2024 | 31-03-2024 | 31-03-2024 | | 31-03-2024 | |
| 5 | Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries | - | - | 1 USD = 83.3739 INR | | 1 USD = 83.3739 INR | |
| 6 | Share Capital | 56.51 | 700.00 | 513.07 | 34,732.26 | 444.60 | 30,173.42 |
| 7 | Reserves & Surplus** | 985.68 | 2,814.99 | (513.03) | (34,728.93) | (453.62) | (30,923.72) |
| 8 | Total Assets*** | 1,099.28 | 3,967.30 | 0.06 | 5.14 | 2.14 | 178.87 |
| 9 | Total Liability | 57.09 | 452.31 | 0.02 | 1.82 | 11.16 | 929.17 |
| 10 | Investments | - | - | - | - | - | - |
| 11 | Turnover | 547.58 | 5,683.67 | - | - | - | - |
| 12 | Profit Before Taxation | 13.10 | 754.78 | 0.01 | 0.39 | (1.48) | (123.23) |
| 13 | Provision for Taxation | 3.41 | 195.47 | - | - | - | - |
| 14 | Profit After Taxation | 9.69 | 559.31 | 0.01 | 0.39 | (1.48) | (123.23) |
| 15 | Other Comprehensive Income | (0.11) | (0.97) | - | - | - | - |
| 16 | Proposed Dividend | - | - | - | - | - | - |
| 17 | % of Shareholding | 88.49% | 100% | 100% | | 100% | |

The above numbers are taken from the respective audited financial statements.

* Euro Forbes Limited and Forbes Lux FZE, both under liquidation, follow a January-December reporting period. As no audit was required for the year ending December 31, 2024, a special audit was conducted for the period ending March 31, 2024, for India consolidation, with the figures in AOC-1 reflecting this audited period.

** Net of Debit balance of Statement of Profit & Loss and Foreign Exchange Transaction Reserve, where applicable.

*** Includes Investment.

****Forbes Lux FZE, Dubai is a Wholly Owned Subsidiary of Euro Forbes Limited, Dubai (Wholly Owned Subsidiary of Eureka Forbes Limited).

PART "B": ASSOCIATE COMPANIES/JOINT VENTURES

Not Applicable as there are no Associate Companies and Joint Ventures

On behalf of the Board of Directors of
Eureka Forbes Limited

Arvind Uppal
Chairman
(DIN: 00104992)
Place: Gurugram

Pratik R. Pota
Managing Director & CEO
(DIN: 00751178)
Place: Mumbai

Pragya Kaul
Company Secretary
Membership No.: 17167
Place: Mumbai

Gaurav Khandelwal
Chief Financial Officer
Place: Mumbai

Date: August 08, 2024

Annexure – 2

**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (“CSR”) ACTIVITIES
FOR THE FINANCIAL YEAR 2023-24**

[Pursuant to Section 135 of the Companies Act, 2013 read with Companies
(Corporate Social Responsibility Policy) Rules, 2014, as amended.]

1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY

The Company is dedicated to add value to every individual in the country through its business by integrating societal, economic, environmental and sustainable commitments. The main CSR objective of the Company is to provide every Indian access to healthy water, pure air and clean earth, both at home and outside.

In accordance with the Companies Act, 2013, the Company has committed 2% (Profit before Tax) annually towards CSR initiatives. The CSR Policy of the Company outlines the approach and direction given by the Board, taking into account the recommendations of its CSR Committee, and includes guiding principles for selection, implementation and monitoring of CSR activities as well as formulation of the annual CSR action plan.

2. COMPOSITION OF CSR COMMITTEE AS ON MARCH 31, 2024

| Sr. No. | Name of the Director | Designation/ Nature of Directorship | Number of Meetings of CSR Committee held during the year | Number of Meetings of CSR Committee attended during the year |
|---------|---------------------------|---|--|---|
| 1 | Mrs. Gurveen Singh | Chairperson, Non-Executive, Independent Director | 3 | 3 |
| 2 | Mr. Pratik Rashmikan Pota | Member, MD&CEO | 3 | 3 |
| 3 | Mr. Homi Katgara | Member, Non-Executive, Independent Director | 3 | 2 |
| 4 | Mr. Vinod Rao | Member, Non-Executive, Independent Director | 3 | 3 |

3. WEB-LINK WHERE COMPOSITION OF CSR COMMITTEE, CSR POLICY AND CSR PROJECTS APPROVED BY THE BOARD ARE DISCLOSED ON THE WEBSITE OF THE COMPANY

- Composition of CSR Committee: www.eurekaforbes.com/investor-relations/corporate-social-responsibility/.
- CSR Policy: [www.eurekaforbes.com/cms/assets/prod/Charter of CSR Committee and Policy .pdf](http://www.eurekaforbes.com/cms/assets/prod/Charter of CSR Committee and Policy.pdf).
- CSR Projects approved by the Board are disclosed on the website of the Company: www.eurekaforbes.com/investor-relations/corporate-social-responsibility/.

4. PROVIDE THE EXECUTIVE SUMMARY ALONG WITH WEB-LINK(S) OF IMPACT ASSESSMENT OF CSR PROJECTS CARRIED OUT IN PURSUANCE OF SUB-RULE (3) OF RULE 8, IF APPLICABLE: Not Applicable**5. CSR DETAILS**

- Average net profit of the Company as per section 135(5): ₹ 16,12,00,532/-

- Two percent of average net profit of the Company as per section 135(5): ₹ 32,24,011/-

- Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years: **NIL**

- Amount required to be set off for the Financial Year, if any: **NIL**

- Total CSR obligation for the Financial Year [(b)+(c)-(d)]: ₹ 32,24,011/-

- (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ 32,51,471/-

- Amount spent in Administrative Overheads: ₹ 48,529/-

- Amount spent on Impact Assessment, if applicable: **Not applicable**

- Total amount spent for the Financial Year [(a)+(b)+(c)]: ₹ 33,00,000/-

(e) CSR Amount spent or unspent for the Financial Year:

| Total Amount spent for the Financial Year (₹) | Amount Unspent | | | | |
|---|---|------------------|---|--------|------------------|
| | Total Amount transferred to unspent CSR Account as per Section 135(6) | | Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5) | | |
| | Amount | Date of transfer | Name of the Fund | Amount | Date of Transfer |
| 33,00,000 | | NIL | | NIL | |

(f) Excess Amount for set off, if any: **Nil**

| Sr. No. | Particulars | Amount (₹) |
|---------|--|------------|
| (i) | Two percent of average Net Profit of the Company as per Section 135(5) | 32,24,011 |
| (ii) | Total Amount spent for the Finance Year | 33,00,000 |
| (iii) | Excess amount spent for the Financial Year [(ii)-(i)] | 75,989 |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous Financial Year, if any | NIL |
| (v) | Amount available for set off in succeeding Financial Years [(iii)-(iv)] | 75,989 |

7. DETAILS OF UNSPENT CSR AMOUNT FOR THE PRECEDING THREE FINANCIAL YEARS: NIL

8. WHETHER ANY CAPITAL ASSETS HAVE BEEN CREATED OR ACQUIRED THROUGH CORPORATE SOCIAL RESPONSIBILITY AMOUNT SPENT IN THE FINANCIAL YEAR: NIL

9. SPECIFY THE REASON(S), IF THE COMPANY HAS FAILED TO SPEND TWO PERCENT OF THE AVERAGE NET PROFIT AS PER SECTION 135(5): Not Applicable

Gurveen Singh

(Chairperson, CSR Committee)

DIN: 09507365

Place: Dubai, UAE

Pratik Pota

(Managing Director & CEO)

DIN: 00751178

Place: Mumbai

On behalf of the Board of Directors of
Eureka Forbes Limited

Arvind Uppal

Chairman

(DIN: 00104992)

Place: Gurugram

Date: August 08, 2024

Annexure – 3

FORM MR-3

SECRETARIAL AUDIT REPORT

for the Financial Year ended March 31, 2024

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

EUREKA FORBES LIMITED

B1/B2, 7th Floor, 701, Marathon Innova,
Ganpatrao Kadam Marg, Lower Parel,
Mumbai – 400 013, Maharashtra, India

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

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2024, **(the “Audit Period”)** complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on March 31, 2024 according to the provisions of:

- i. The Companies Act, 2013 (“the Act”) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 (“SCRA”) and the Rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (“SEBI Act”);
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended from time to time;
 - b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time;
 - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time;
 - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time - **Not applicable to the Company during the Audit period;**
 - e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 as amended from time to time;
 - f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 - **Not applicable to the Company during the Audit period;**
 - g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - **Not Applicable to the Company during the Audit Period, and**
 - i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - **Not Applicable to the Company during the Audit Period;**
 - j) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018

- vi. We have relied on the representations made by the Company and its officers for systems and mechanism formed by the Company for compliances under other various applicable Acts, Laws, Rules and Regulations to the Company.

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

- (i) Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India;
- (ii) The Listing Agreement entered into by the Company with BSE Limited read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

To the best of our knowledge and belief, during the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

- a) During the year under review, the Board of Directors of the Company was duly constituted with proper balance of Executive Director, Non-Executive Directors and Independent Directors.

The Committees of the Board are duly constituted. No changes in the composition of the Board of Directors took place during the Audit Period.

- b) Adequate notice is given to all Directors to schedule the meetings of Board and Committee of the Board. Agenda and notes on agenda were sent at least seven days in advance except where the consents received for shorter notice from the Directors, and adequate system exists for seeking and obtaining further information and clarifications on the agenda items before the Meeting and for meaningful participation at the meeting.

- c) All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the Minutes of the Meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the following event/action has taken place having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above:

- At the Extra Ordinary General Meeting of the Company held on April 19, 2023, Members of the Company vide Special Resolution have approved proposed grant of Stock Options equal to or exceeding 1% (One Percent) of issued capital of the Company under Eureka Forbes – Employee Stock Option Plan 2022 at the time of grant to the identified employee(s) namely Mr. Pratik Rashmikan Pota (DIN: 00751178), Managing Director & Chief Executive Officer of the Company;
- At the Annual General Meeting of the Company held on September 22, 2023 ("14th AGM"), Members of the Company vide Special Resolution have considered and approved waiver of recovery of the excess remuneration paid/payable to Mr. Marzin R. Shroff (DIN: 00642613), former Managing Director & Chief Executive Officer for the Financial Year 2022-23;
- At the 14th AGM, Members of the Company vide Special Resolution have considered and approved waiver of recovery of the excess remuneration paid/payable to Mr. Pratik Rashmikan Pota (DIN: 00751178), Managing Director & Chief Executive Officer for the Financial Year 2022-23;
- At the 14th AGM, Members of the Company vide Special Resolution have considered and approved payment of Commission to the Non-Executive Directors of the Company with effect from the Financial Year 2022-23;
- At the 14th AGM, Members of the Company vide Special Resolution had approved the overall managerial remuneration of the Directors for the Financial Year 2022-23.

We further report that during the audit period, the Company has co-operated with us and have produced before us all the required forms, information, clarifications, returns and other documents as required for the purpose of our audit.

For **MIHEN HALANI & ASSOCIATES**
Practicing Company Secretaries

Mihen Halani
(Proprietor)
CP No: 12015
FCS No: 9926

Place: Mumbai
Date: May 28, 2024
ICSI UDIN: F009926F000464831

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

Annexure – A to Annexure – 3

To,
The Members,
EUREKA FORBES LIMITED
B1/B2, 7th Floor, 701, Marathon Innova,
Ganpatrao Kadam Marg, Lower Parel,
Mumbai – 400 013, Maharashtra, India

Our report of even date is to be read along with this letter.

MANAGEMENT'S RESPONSIBILITY

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

AUDITOR'S RESPONSIBILITY

2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provides a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.

DISCLAIMER

5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **MIHEN HALANI & ASSOCIATES**
Practicing Company Secretaries

Mihlen Halani
(Proprietor)
CP No: 12015
FCS No: 9926

Place: Mumbai
Date: May 28, 2024
ICSI UDIN: F009926F000464831

Annexure – 4

Information under Section 134(3) (m) of the Companies Act, 2013 and Rule 8(3) of the Company (Accounts) Rules, 2014 made thereunder forming part of the Board's Report for the year ended March 31, 2024

(A) CONSERVATION OF ENERGY**(i) Steps taken or impact on conservation of energy and Capital investment on energy equipments:****Green Features of Dehradun Plant:**

The Dehradun factory is a landmark which incorporates a list of eco-friendly features, which are as follows:

- **Pre-fabricated Steel Structure:** The pre-fabricated steel structure is a unique feature of this building. The building was developed with minimum site disturbance and the materials were effectively used by adopting the design specification based on the internal load requirements thereby optimising the use of natural resources.
- **Fly Ash based Bricks & Hollow blocks:** The construction was made with fly ash based bricks, cement and concrete blocks. This reduces the burden of earth and increases the life of spend materials. In addition, the fly ash material acts as a better thermal insulation and increases the physical comfort of the people and is environment-friendly.
- **Natural Light Harvesting:** The building is designed with a daylight view and adequate daylight harvesting. This saves energy for power requirements.
- **Thermal Comfort at Factory Premises:** The building is insulated with fly ash based bricks, cement and hollow blocks thus resisting the external temperature influences. In addition, the roof is insulated with specialised media, and Turbo ventilators are strategically installed to maintain air circulation.
- **Turbo Ventilators:** Unlike the traditional ventilation methods, Turbo vent works up the hot air from inside the building by natural convection. This roof-top wind driven ventilator is cost-effective and runs without electricity.
- **Water Efficiency:** The building is fitted with water-efficient gadgets that can save up to 70% on usage. The tap fittings are designed with pre-set flow and timer. Once you press, the water flows for 6 seconds and stops automatically. The Water taps are automated and use contactless sensor-based technology which helps in

further conservation of water and contactless hand-wash.

- **Rain Water Harvesting:** The rooftop water is harvested for collection in a tank for 'Use When Available' and excess is used for borewell recharge. The rooftop water from south-western side (distant from bore well) is recharged into the ground through recharge pits. In this way most of the roof water is trapped either in the tank or underground.
- **Introduction of Green Packaging:** Your Company is in the process of reducing the use of thermocol buffer and promoting the use of recyclable pulp buffer and Expanded Polystyrene ("EPS"). Pulp packaging offers a wide range of benefits compared to traditional plastics and EPS such as Zero Manufacturing Waste, 100% recyclable packaging, etc.
- **Energy Efficient Compressor:** Variable Frequency Drive ("VFD") (new energy-efficient) air compressor installed at the Dehradun Factory which resulted into reducing the energy consumption.

(ii) Steps taken towards conservation of Environment:

Your Company has been constantly innovating ways to reduce usage of plastics and other material that could pollute environment and follows the Environmental, Health & Safety ("EHS") norms. Following activities have been taken and followed under this initiative:

1. At Bengaluru factory, installed Retrofitting Emission Control Device (RECD) to mitigate emissions [Particular Matter ("PM"), Hydrocarbon ("HC"), Carbon Monoxide ("CM")].
2. Sewage treatment plants (STP) and Effluent treatment plants ("ETP") installed at the Dehradun and Bengaluru factories to treat the waste water and achieve zero wastage of water.
3. Disposal of bio medical waste, e-waste and used oil as per the protocols through Government approved handlers.
4. Electromagnetic flow meters are installed at both the factories to measure the daily water treated record at our ETP & STP.

5. Selective replacement of streetlights with Solar/ Light Emitting Diode ("LED") lights.
6. Energy-efficient Air Conditioners ("AC") with environmentally friendly refrigerants installed as replacements for the old AC units.
7. User manuals converted to Digital mode, using QR code technology to reduce paper usage further.
8. Conversion of colour carton to Brown carton in Direct division products – thereby saving printing INK which is not environment-friendly and elimination of laminated plastic layer sheet.
9. With a new innovative technology of using "Q fit connectors", your Company could eliminate bigger plastic connectors at pipe junction points, thereby reducing plastic consumption.
10. Use of recyclable plastic cartons which can be used multiple times by vendors for shipping raw material. This would mean less usage of corrugated cartons.
11. Registered under Government's EPR ("Extended Producers' Responsibility") scheme, to ensure proper waste management of plastic packaging material.
12. Piezometer installed at Dehradun plant to measure and monitor groundwater level.
13. IoT-based Borewell water flow meter installed to measure daily water extraction.
14. Elimination of Polythene cover used over the packing cartons & over Finished Goods ("FGs") packaging to reduce usage of plastic.
15. The Dehradun and Bengaluru manufacturing facilities are BIS certified for Reverse Osmosis based water purifiers for higher recovery products.

(B) TECHNOLOGY ABSORPTION

Your Company does not just make products, but focusses on the entire life cycle of how these products are perceived and used by our consumers.

Your Company believes in providing innovative solutions for real life consumer issues by leveraging internal research and development, coupled with external ideas, competences, and resources.

Your Company believes in creating value for society, the consumer, and your Company through a spirit of Open Innovation. To catalyse this, it collaborates with technology partners across the value chain,

universities, innovators and leading research institutes. Through these partnerships, and the spirit of Open Innovation, your Company continuously strives to deliver new/improved technologies and creates business and market opportunities.

The R&D team of your Company has developed new technologies and introduced new innovative features in its products. Your Company introduced following innovations and technologies, designed to address the specific needs in the market:

- **Intellimix technology:** Innovated fully automatic Intellimix technology in water softeners to optimise the regeneration process and it has resulted in reducing the regeneration cycles, salt usage, and increased water savings.
- **SlimTech:** Designed and innovated slimmest water purifier with premium toughened glass.
- **UV LED technology:** Introduced cutting-edge 5th Gen mercury free UV LED technology in domestic water purifier.
- **Water quality Indicator:** We have introduced a TDS sensor that will display both input TDS and output TDS.
- **Iron Absorption:** We have developed high capacity iron absorption technology for the whole house filtration systems (POE) to address the high iron content problems in specific geographical areas. This technology requires no dosing or aeration.
- **Instant Hot Technology:** Introduced new instant hot water purifier with child safe feature that dispenses hot water without waiting time.
- **Cordless Upright vacuum cleaner:** Introduced innovative upright vacuum cleaner with unique Zerobend, Multi Cyclone and Auto-detangle features.
- **Pet grooming kit:** Launched innovative pet grooming kit that addresses all season blower requirement with three heating settings as first in the market.
- **Surround 360 degree air technology:** Introduced Air purifier with Surround 360 degree air intake technology.

Expenditure on Research and Development:

- a. Capital: ₹ 334.49 lakhs
- b. Recurring: ₹ 1,600.82 lakhs
- c. Total: ₹ 1,935.31 lakhs

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO**(i) Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services and export plans**

Your Company has initiated the process of developing new international markets to increase its export business which at present is less than 1% of its turnover.

(ii) Total Foreign Exchange used and earned

Earnings in foreign exchange during the year under review were ₹ 140.01 lakhs and the outgo was ₹ 21,180.83 lakhs.

On behalf of the Board of Directors of
Eureka Forbes Limited

Arvind Uppal

Chairman

(DIN: 00104992)

Place: Gurugram

Date: August 08, 2024

Annexure – 5

Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended March 31, 2024.

1. THE RATIO OF THE REMUNERATION OF EACH DIRECTOR TO THE MEDIAN REMUNERATION OF THE EMPLOYEES OF THE COMPANY FOR THE YEAR

The median remuneration of employees of the Company for the Year and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year is provided in the table below:

| Sr. No. | Name of the Director | Designation | Ratio of the remuneration of each Director to Median Remuneration of the Employees for 2023-24 |
|---------|----------------------|---|--|
| 1 | Mr. Arvind Uppal | Chairman, Non-Executive, Non-Independent Director | 6.80 |
| 2 | Mr. Pratik Pota | Managing Director & CEO | 152.76 |
| 3 | Mr. Sahil Dalal | Non-Executive, Non-Independent Director | NA |
| 4 | Mr. Vinod Rao | Independent Director | 6.88 |
| 5 | Mrs. Gurveen Singh | Independent Director | 6.78 |
| 6 | Mr. Homi Katgara | Independent Director | 6.80 |
| 7 | Mr. Shashank Samant | Independent Director | 3.65 |

Notes:

- Mr. Sahil Dilip Dalal has waived his right to sitting fee and commission.

2. THE PERCENTAGE INCREASE IN THE REMUNERATION OF EACH DIRECTOR, CHIEF EXECUTIVE OFFICER, CHIEF FINANCIAL OFFICER, COMPANY SECRETARY OR MANAGER, IF ANY, IN THE FINANCIAL YEAR

a. The percentage increase in the remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager, if any, in the Financial Year:

The percentage increase/decrease in the remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager, if any, in 2023-24 is provided in the table below:

| Sr. No. | Name of the Director/KMP | Designation | % Increase in Remuneration in 2023-24 |
|---------|------------------------------|--|---------------------------------------|
| 1 | Mr. Pratik Rashmikan Pota | Managing Director & CEO | 12% |
| 2 | Mr. Gaurav Pradip Khandelwal | Chief Financial Officer | 12% |
| 3 | Ms. Pragya Kaul | Company Secretary & Compliance Officer | 7% |

b. The percentage increase in the median remuneration of employees in the Financial Year: 7.1%

c. The number of permanent employees on the rolls of the Company:

There were 2,633 permanent employees on the rolls of the Company as on March 31, 2024.

d. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: 9%

e. Affirmation that the remuneration is as per the Remuneration Policy of the Company:

It is hereby affirmed that the remuneration paid is as per the Nomination and Remuneration Policy of the Company.

On behalf of the Board of Directors of
Eureka Forbes Limited

Arvind Uppal

Chairman

(DIN: 00104992)

Place: Gurugram

Date: August 08, 2024

ANNEXURE – 6

REPORT ON CORPORATE GOVERNANCE

Your Company's Report on Corporate Governance for the period ended March 31, 2024 pursuant to Regulation 34(3) and Clause (C) of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is presented as follows:

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company's philosophy on corporate governance is backed by its value systems that promote transparency, fairness, and accountability, thus ensuring sustainable success and a substantial contribution towards corporate responsibility. The vision of your Company and its leaders, imbuing a sense of purpose beyond profit, adopt a holistic approach that embraces the perspective of all stakeholders.

In line with this philosophy, your Company has taken efforts to put in place a comprehensive framework that ensures timely disclosures and accurate dissemination of information. Your Company's philosophy is supplemented by various codes of conduct and charters that govern the functioning of the Board of Directors, Board Committees, and senior-level management and, when read in conjunction with the constitutional documents of your Company, are in compliance with various applicable laws, rules, regulations, and guidelines.

The Corporate Governance philosophy of your Company is driven by the interests of stakeholders and the business needs of the organisation. Corporate Governance is essential for the growth, profitability, and stability of any business. Aligning itself with this philosophy, your Company has placed Corporate Governance as a high priority.

The highlights of your Company's Corporate Governance policy are:

- Your Company believes that an active, well-informed and independent Board is necessary to ensure high standards of Corporate Governance. Your Company has appropriate mix of Executive and Non-Executive Directors including a Woman Director.
- Constitution of various Committees for focussed attention and proactive flow of information enables the Company to ensure expedient resolution of diversified matters.
- Emphasis on ethical business conduct by the Board, management and employees.
- Established Code of Conduct for Directors and employees along with the Code of Conduct for Prevention of Insider Trading.

- Detailed Policy for Disclosure of Material Events and Information.
- Established Whistle Blower Mechanism which acts as a neutral and unbiased forum for Directors, Employees and Business Partners of the Company and its subsidiaries.
- Endeavour to continuously contribute to social and environmental spheres through various CSR programmes creating shared values.
- Robust and effective framework for reporting of statutory compliances and review on a periodic basis.
- Timely, transparent and regular disclosures.

2. BOARD OF DIRECTORS

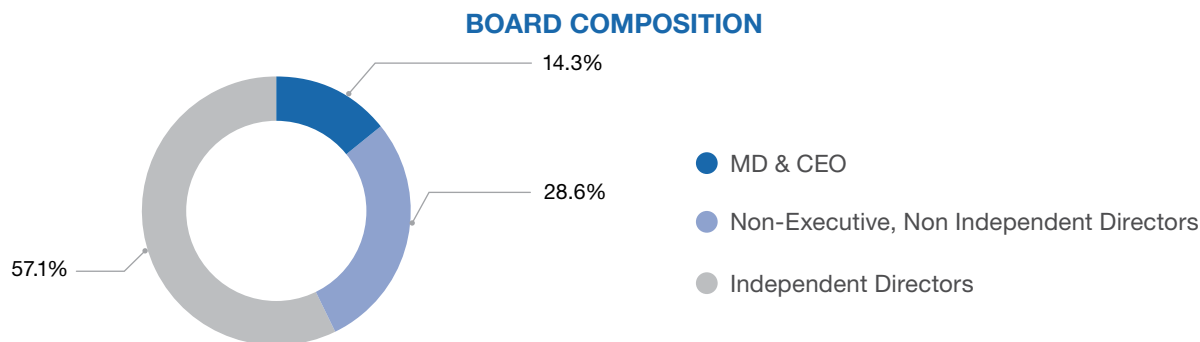
(a) Board Composition

Your Company has a professional Board with the right mix of knowledge, skills, and expertise in diverse areas and an optimum combination of Executive and Non-Executive Directors, including Independent Directors and a Woman Director. Besides having financial literacy, vast experience, leadership qualities, and the ability to think strategically, the Directors are committed to ensuring the highest standards of Corporate Governance.

The Board meets at least 4 (Four) times a year and more often if the Company needs additional oversight and guidance. During the Financial Year 2023-24, the time gap between any two Board Meetings did not exceed 120 days. The Board of Directors periodically review compliance reports pertaining to all laws applicable to the Company. All statutory and other matters of significance, including information as mentioned in Part A of Schedule II to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") are informed to the Board to enable it to discharge its responsibility of strategic supervision of the Company.

As on March 31, 2024, the Board consists of 07 (Seven) Directors including 01 (One) Independent Woman Director. Out of 07 (Seven) Directors, 01 (One) is Managing Director & Chief Executive Officer, 04 (Four) are Non-Executive & Independent Directors and 02 (Two) are Non-Executive & Non-Independent Directors. Your Company has a Non-Executive & Non-Independent Chairman. The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Companies Act, 2013.

The Board has constituted five Statutory Committees: Audit Committee, Nomination & Remuneration Committee, Stakeholders' Relationship Committee, Risk Management Committee and Corporate Social Responsibility Committee.



The composition of the Board and the Directorship and Committee positions held by the Directors as on March 31, 2024 is as follows:

| Sr. No. | Name and DIN | Category | No. of Directorships in Companies ¹ | Directorship held in Listed Companies | Committee Positions (including EFL) ² | |
|---------|---|--|--|--|--|-------------|
| | | | | | Member | Chairperson |
| 1 | Mr. Arvind Uppal (DIN: 00104992) | Non-Executive, Non-Independent Director (Chairman) | 4 | 1. Whirlpool of India Limited – Non-Executive, Independent Director (Chairman) 2. Gulf Oil Lubricants India Limited – Non-Executive, Independent Director 3. Amber Enterprises India Limited – Non-Executive, Independent Director 4. Eureka Forbes Limited | 6 | 4 |
| 2 | Mr. Pratik Rashmikan Pota (DIN: 00751178) | Managing Director & CEO | 1 | Eureka Forbes Limited | 1 | 0 |
| 3 | Mr. Sahil Dilip Dalal (DIN: 07350808) | Non-Executive, Non-Independent Director | 2 | 1. DFM Foods Limited (delisted w.e.f. April 06, 2023) – Non-Executive, Non-Independent Director 2. Eureka Forbes Limited | 3 | 0 |
| 4 | Mr. Vinod Rao (DIN: 01788921) | Non-Executive, Independent Director | 2 | 1. Suven Pharmaceuticals Limited 2. Eureka Forbes Limited | 3 | 2 |
| 5 | Mrs. Gurveen Singh (DIN: 09507365) ³ | Non-Executive, Independent Director | 2 | Eureka Forbes Limited | 2 | 0 |
| 6 | Mr. Homi Adi Katgara (DIN: 00210338) | Non-Executive, Independent Director | 1 | Eureka Forbes Limited | 0 | 0 |
| 7 | Mr. Shashank Shankar Samant (DIN: 09733485) | Non-Executive, Independent Director | 1 | Eureka Forbes Limited | 1 ⁴ | 0 |

Notes:

- Includes Directorships in Public Companies and Eureka Forbes Limited and excludes private companies, foreign companies, companies incorporated under Section 8 of the Act and alternate Directorships.
- Committee Membership and Chairmanship as on March 31, 2024 includes only Audit Committee and Stakeholders' Relationship Committee of Public Limited Companies (including Eureka Forbes Limited).
- Mrs. Gurveen Singh (DIN: 09507365) has been appointed as Additional Director in Manjushree Technopack Limited w.e.f. June 04, 2024.
- Appointed as Member in the Stakeholders' Relationship Committee with effect from May 29, 2023.
- None of the Directors are related to each other.

As per Regulation 17A of the SEBI Listing Regulations, all Directors meet the criteria for the maximum number of Directorships. Further, the Managing Director & CEO of the Company does not serve as Independent Director of any other listed entity.

None of the Directors is a member of more than ten Committees or the Chairman / Chairperson of more than five Committees across all the public companies in which he or she is a Director. The limits of the Board Committees, Chairpersonship and Membership of the Audit Committee and Stakeholders' Relationship Committee have been considered as per Regulation 26(1)(b) of the Listing Regulations.

(b) Board Meetings and attendance records

Your Company has in place a pre-scheduled and tentative annual calendar of the Board and Committee Meetings that is circulated to the Directors well in advance to facilitate their planning and ensure meaningful participation in the meetings. However, in cases of urgent business and exigencies, the requisite approvals are taken through the process of circular resolution as permitted by law. Subsequently, the resolutions passed through circulation are noted and confirmed in the immediate following Board/ Committee Meeting.

Further, bearing in mind various relaxations that have been provided by the Ministry of Corporate Affairs and the Securities and Exchange Board of India, the Board and Committee meetings were generally conducted through Video Conferencing/other audio-visual means ("VC/OAVM").

The Notice convening the Board and Committee Meeting, along with the detailed agenda, setting out the business to be transacted at such Meetings and relevant documents in order to facilitate understanding are circulated at least seven (07) days before the date of the Board and Committee Meeting except for the meetings called at a shorter notice.

With a view to leveraging technology, reducing paper consumption, and addressing the environmental aspect of the triple bottom line, your Company dispatches notices, agenda papers, presentations, minutes, and other relevant correspondences electronically. A soft copy of the said agenda(s) is uploaded on the Board Portal at least 7 (seven) days before the meeting. Draft minutes are circulated to the Directors for their comments, which are then noted in subsequent meetings.

The Board of Directors ("Board") is responsible for the strategic supervision and overseeing the management performance and governance of your Company on behalf of the Members and other stakeholders. Your Company is professionally managed under the overall supervision of the Board. The Board has ultimate responsibility of reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans, setting performance objectives, monitoring implementation, and corporate performance, and overseeing major capital expenditures, acquisitions, mergers, general affairs, direction, performance and long-term success of the business as a whole. The Board sets out the overall corporate objectives and provides direction and independence to the management to achieve these objectives for value creation through sustained growth. The Board seeks accountability of the management in creating long-term sustainable growth to ensure that the aspirations of stakeholders are fulfilled. It also sets out standards of corporate behaviour and ensures compliance with laws and regulations impacting the Company's business.

There were Six (6) Board Meetings held during Financial Year 2023-24.

Attendance Record of the Directors for the year 2023-24

| Name of Director | April 19, 2023 | May 29, 2023 | August 08, 2023 | November 10, 2023 | February 14, 2024 | March 21, 2024 | Last AGM September 22, 2023 |
|--------------------------------|-------------------|-----------------|--------------------|----------------------|----------------------|-------------------|--------------------------------|
| Mr. Arvind Uppal | √ | √ | √ | √ | √ | √ | √ |
| Mr. Pratik Pota | √ | √ | √ | √ | Ab | √ | √ |
| Mr. Sahil Dilip Dalal | √ | Ab | √ | √ | √ | √ | √ |
| Mr. Vinod Rao | √ | √ | √ | √ | √ | √ | √ |
| Mrs. Gurveen Singh | √ | √ | √ | Ab | √ | √ | √ |
| Mr. Homi Adi Katgara | √ | √ | √ | √ | √ | √ | √ |
| Mr. Shashank Shankar Samant | √ | √ | √ | √ | √ | √ | √ |

(c) Shareholding of Directors as on March 31, 2024

| Name of Director | No. of Shares held |
|------------------|--------------------|
| Mr. Homi Katgara | 10,000 |

No other Director holds any shares in the Company.

(d) Succession Planning

The Nomination & Remuneration Committee works with the Board on the leadership succession plan to ensure orderly succession in appointments to the Board and to senior management positions. The Company strives to maintain an appropriate balance of skills and experience within the organisation and the Board in an endeavour to introduce new perspectives while maintaining experience and continuity.

All new Non-Executive Directors inducted into the Board are introduced to the Company culture through orientation sessions. The Executive Director and senior

management provide an overview of operations, and familiarise the new Non-Executive Directors on matters related to our values and commitments. They are also introduced to the organisation structure, services, Group structure and subsidiaries, constitution, Board procedures, matters reserved for the Board, major risks and risk management strategy. The details of the training programme attended by the Directors during the Financial Year 2023-24 are as follows and the same is available on the Company's website at www.eurekaforbes.com/media/investor-relations/Familiarisation-Programme-for_Independent-Directors.pdf.

| Sr. No. | Name of the Director | No. of training hours attended during the Financial Year 2023-24 |
|---------|-----------------------------|--|
| 1 | Mr. Vinod Rao | 23.00 |
| 2 | Mrs. Gurveen Singh | 23.00 |
| 3 | Mr. Homi Adi Katgara | 22.50 |
| 4 | Mr. Shashank Shankar Samant | 23.00 |

(e) Matrix Setting out Core Competencies of the Board of Directors

The Company ensures the composition of the Board is a thoughtful combination of various skills, competencies, and experiences that in turn facilitates Board Diversity.

The following set of skills/expertise/competencies are identified by the Board as a parameter to nominate a candidate on the Board:

- Industry knowledge and experience
- Financial and risk management skills
- Leadership and management skills
- Corporate governance
- Technical aspects

Tabled below are the key skills, expertise and competence of the Board of Directors in the context of the Company's business for effective functioning, as available with the Board.

| Name of Director | Industry knowledge and experience | Financial and risk Management skills | Leadership and Management skills | Corporate Governance | Technical aspects |
|-----------------------------|-----------------------------------|--------------------------------------|----------------------------------|----------------------|-------------------|
| Mr. Arvind Uppal | √ | √ | √ | √ | √ |
| Mr. Pratik Rashmikan Pota | √ | √ | √ | √ | √ |
| Mr. Sahil Dilip Dalal | √ | √ | √ | √ | √ |
| Mr. Vinod Rao | √ | √ | √ | √ | √ |
| Mrs. Gurveen Singh | √ | √ | √ | √ | √ |
| Mr. Homi Adi Katgara | √ | √ | √ | √ | √ |
| Mr. Shashank Shankar Samant | √ | √ | √ | √ | √ |

(f) Confirmation as regards Independence of Independent Director and Meeting of Independent Directors

The Board confirms that based on the written affirmations received from each Independent Director, all Independent Directors fulfil the conditions specified for independence as stipulated in Regulation 16(1)(b) of the SEBI Listing Regulations, as amended, read with Section 149(6) of the Act, along with the rules framed thereunder, and are independent of the Management. Further, the Independent Directors have also registered their names in the database maintained by the Indian Institute of Corporate Affairs (IICA) as mandated in the Companies (Appointment and Qualification of Directors), Rules, 2014, as amended.

None of the Independent Directors have any other material pecuniary relationships or transactions with

the Company, its Promoters, Directors, or Senior management that, in their judgement, would affect their independence. In terms of Regulation 25(8) of the SEBI Listing Regulations they have confirmed that they are not aware of any circumstance or situation that exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

During the year under review, a meeting of the Independent Directors was held on March 21, 2024. All Independent Directors were present at the meeting to discuss risks, the performance of the Company, strategy, leadership, and the performance of the Non-Independent Directors, the Board, and the Chairman, and to assess the flow of information from management to the Board that is necessary for the Board to effectively and reasonably perform its duties.

Familiarisation Programme

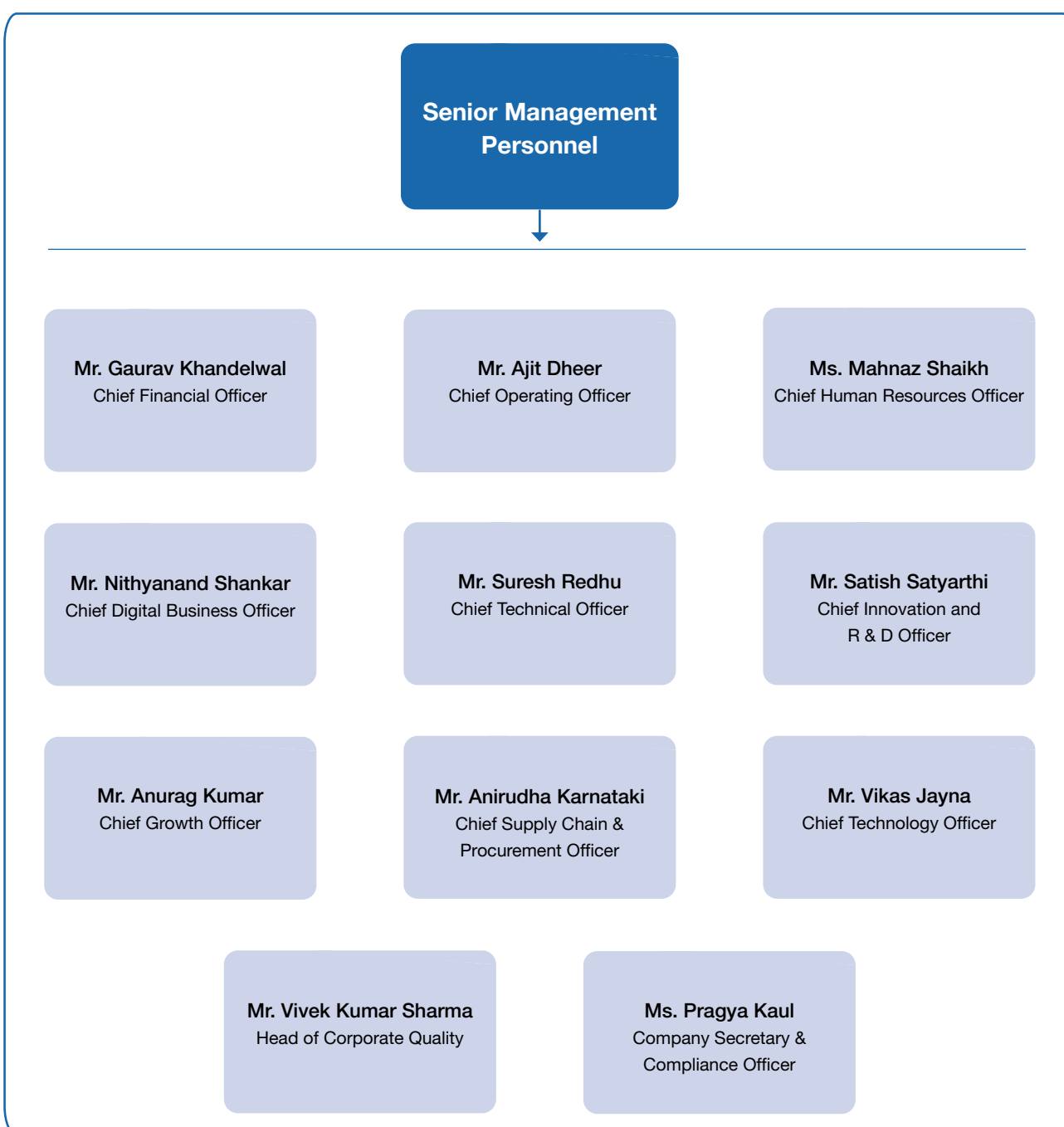
Pursuant to Regulation 25(7) of the SEBI Listing Regulations, the Company conducted various familiarisation programmes for its Directors, including an overview of the industry in which the Company operates, the Company's operations and strategy, the annual budget of the Company, internal control systems, CSR strategy framework, updates on various policies, updates on LODR amendments, investor grievances, risk management, internal audit plans and findings, regulatory updates at Board and Audit Committee Meetings, updates on prevention of Insider Trading Regulations, compliance with various applicable laws, review of industry outlook at Board

Meetings, and regulatory framework for related party transactions.

Pursuant to Regulation 46 of the SEBI Listing Regulations, the details required are available on the website of your Company at the web link: www.eurekaforbes.com/media/investor-relations/Familiarisation-Programme-for Independent-Directors.pdf.

Senior Management Personnel

The Company identified following under category of SMPs, pursuant to the provisions of Regulation 16(1) (d) and Schedule V of the SEBI Listing Regulations. Details of SMPs as on March 31, 2024 are as follows:



The changes in Senior Management Personnel during the year under review are as follows:

| Sr. No. | Name | Designation | Date of change |
|---------|------------------------|--|---------------------------------|
| 1 | Ms. Mahnaz Shaikh | Chief Human Resources Officer | April 12, 2023 ¹ |
| 2 | Mr. Ajit Dheer | Chief Operating Officer | May 02, 2023 ¹ |
| 3 | Mr. Anurag Kumar | Chief Growth Officer | May 22, 2023 ¹ |
| 4 | Mr. Anirudha Karnataki | Chief Supply Chain & Procurement Officer | June 08, 2023 ¹ |
| 5 | Mr. Vivek Kumar Sharma | Head of Corporate Quality | September 11, 2023 ¹ |
| 6 | Mr. Vikas Jayna | Chief Technology Officer | February 05, 2024 ¹ |
| 7 | Mr. Vikram Surendran | President | April 06, 2023 ² |
| 8 | Ms. Binaifer Khanna | Chief People Officer | May 31, 2023 ² |
| 9 | Mr. Shubham Srivastava | Chief Product & Technology Officer | March 31, 2024 ² |

1. Date of appointment

2. Date of cessation

3. COMMITTEES OF THE BOARD

I. Audit Committee

Introduction

The Audit Committee acts as a link between the Statutory and Internal Auditors and the Board of Directors where they are primarily responsible for accurate financial reporting and strong internal controls. The Audit Committee plays a major role in assisting the Board in fulfilling its oversight responsibilities of monitoring financial reporting processes, reviewing the Company's established systems and processes for internal financial controls, governance and reviewing the Company's statutory and internal audit activities.

The Audit Committee Committee is governed by the terms of reference as per the regulatory requirements mandated by the Act and SEBI Listing Regulations. The composition, quorum, powers, role and scope are in accordance with Section 177 of the Act and the provisions of Regulation 18 of the SEBI Listing Regulations.

The members of the Audit Committee are financially literate, and the Chairman of the Audit Committee has accounting and financial management expertise. The Audit Committee also meets with the Auditors without the presence of management.

The Audit Committee also receives the report on compliance under the SEBI (Prohibition of Insider Trading) Regulations, 2015. Further Compliance Reports under the Prevention of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Whistle Blower Policy are also placed before the Committee. None of the recommendations made by the Audit Committee were rejected by the Board.

Terms of Reference

The Audit Committee ensures that it has reviewed each area that it is required to review under its terms of reference and under applicable legislations or by way of good practice. This periodic review ensures that all areas within the scope of the Committee are reviewed.

Key terms of Reference of the Committee are:

A. Financial Reporting and Financial Reporting Processes

- i. Oversight of the Company's financial reporting process and the disclosure of financial statements/ results and information submitted to the stock exchanges, regulatory authorities or the Members to ensure that the financial statement reflect a true and fair view correct and the same time sufficient and credible.
- ii. Review with management the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of Clause (c) of sub-section 3 of Section 134 of the Act.
 - b) Changes, if any, in the accounting policies and reasons for the same.
 - c) Major accounting entries involving estimates based on the exercise of judgment by the management.
 - d) Significant adjustments, if any, made in the financial statements arising out of audit findings.
 - e) Compliance with listing and other legal requirements concerning Financial Statements.
 - f) Disclosure of related party transactions.
 - g) Qualification/ modified opinion, if any, in draft audit report.
- iii. Review accounting adjustments, if any, that are noted or proposed by the statutory auditors but were 'passed' (as immaterial or otherwise).
- iv. Scrutiny of inter-corporate loans and investments, if any.

- v. Valuation of undertakings or assets of the Company, wherever it is necessary.
- vi. Monitoring the end use of funds raised through public offers/ private placements/ debt issues and related matters.
- vii. Review with the management the quarterly financial statements before submission to the Board for approval.
- viii. Review of the Management Discussion & Analysis of financial condition and result of operations.
- ix. Consider and discuss with the statutory auditors its judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting with reference to Generally Accepted Accounting Principles in India.
- x. Review details of significant transactions/ investments by the subsidiaries.

B. Risk Management, Internal Control and Governance Processes

- i. Review and discuss with Management the adequacy of the Company's system of business risk assessment including the risk of fraud. Discuss the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures.
- ii. Review and discuss with the statutory auditors, the internal auditors and management the adequacy and effectiveness of the Company's system of internal controls.
- iii. Review any material defalcations or acts of fraud/misconduct as reported by the Risk Management Committee.

C. Statutory Audit

- i. Recommend to the Board the appointment, re-appointment, terms of reference and, if required the replacement or removal of the Statutory Auditors, Cost Auditors and Secretarial Auditors considering their independence and effectiveness and also recommend the audit fees.
- ii. Approve all auditing and permissible non auditing services (services other than those services which cannot be rendered by the Statutory Auditors as per Section 144 of the Act) to be rendered by the Statutory Auditors and determining the remuneration for all such services.
- iii. Annual review and discuss with the Statutory Auditors all significant relationships that they have with the Company or any of its related parties to determine the auditors' independence.
- iv. Review the performance of the Statutory Auditors.

- v. Review and discuss the nature and scope of the Statutory Auditors' before audit commences, annual audit as well as post-audit discussion with the Auditors to ascertain any area of concern.
- vi. Mandatory review of Management Letters/letters and any significant findings and recommendations issued by the Statutory Auditors together with Management's response thereto.
- vii. Following completion of the annual audit, review and discuss with the Statutory Auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
- viii. Meet separately with the external auditors to discuss any matters that the Committee or the external auditors believe should be discussed separately.
- ix. Review the annual Cost Audit report submitted by the Cost Auditors.

D. Internal Audit

- i. Review the Internal Audit scope and recommend changes, if any.
- ii. To approve appointment, removal and terms of remuneration of the Internal Auditors.
- iii. Review with the Management the performance of the internal auditors and adequacy of the internal controls.
- iv. Consider and approve, in consultation with the Statutory Auditors and the Internal Auditors the annual scope and plan of the Company's Internal Audit and any significant changes thereto.
- v. Review the adequacy of the Internal Audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- vi. Review with the Internal Auditors and the Statutory Auditors, the co-ordination of audit efforts to assure adequacy of coverage, reduction of redundant efforts and the effective use of audit resources.
- vii. Review internal audit reports relating to internal control weaknesses.
- viii. Review any significant findings and recommendations of Internal Audit, together with Management's responses thereto.
- ix. Review the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of an internal control system of a material nature and reporting the matters to the Board. Review with

the Internal Auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.

- x. Meet separately with the Internal Auditors to discuss any matters that the Committee believes should be discussed separately.

E. Other Responsibilities

- i. (a) Approval of Related Party Transactions (RPTs) or subsequent modifications thereto. Such approval can be in the form of omnibus approval of RPTs subject to conditions specified in Regulation 23 of SEBI Listing Regulations.
- (b) Review of Related Party Transactions on a quarterly basis.
- ii. Review of internal control systems, policies and procedures under SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time.
- iii. Perform other activities as required by law or determined by the Board.
- iv. Approval of appointment of Chief Financial Officer ("CFO") after assessing his qualification, experience & background etc.
- v. Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.
- vi. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- vii. Institute and oversee special investigations as needed.
- viii. Periodically report to the Board or Committee of the Board inter alia all significant matters that have come to the knowledge of the Committee, covering internal controls, financial statements, policies and statutory/ regulatory compliances.
- ix. Consider and comment on rational, cost benefits and impact of schemes involving merger, demerger, amalgamation etc., in the listed entity and its shareholders.
- x. Confirm annually that all responsibilities outlined in this Charter have been carried out by the Committee.
- xi. Self-evaluation of the Committee's performance once every year.

F. General

- i. Develop, with the appropriate assistance from the statutory auditors, the internal auditors and management, an annual audit plan, internal audit plan and other plans/ matters to be reviewed as part of the responsibilities of the Committee.
- ii. Perform such other role as mandated to the Committee by the Board of Directors and under the applicable rules/ regulations/ laws.

G. Whistle Blower

To oversee and review the Whistle Blower function established by the Company to report the genuine concerns against the suspected or confirmed fraudulent activities, allegations of corruption, violation of the Company's Code of Conduct. Your Company provides adequate safeguards against victimisation of persons who use this mechanism. Such persons shall have direct access to the Chairman of the Audit Committee when appropriate.

The meetings of Audit Committee are also attended by the Chief Financial Officer, Statutory Auditors and Internal Auditor as special invitees. The minutes of each Audit Committee meeting are placed in the next meeting of the Board. The Audit Committee also meets the Internal and Statutory Auditors separately, without the presence of Management representatives.

The Audit Committee met 4 (Four) times during the Financial Year 2023-24 on May 29, 2023, August 08, 2023, November 09, 2023, and February 14, 2024 and the attendance record of the Members is as follows:

| Name of the Member | Category | Attendance |
|--------------------------|--------------------------------|------------|
| Mr. Vinod Rao (Chairman) | Non-Executive, Independent | 4/4 |
| Mrs. Gurveen Singh | Non-Executive, Independent | 4/4 |
| Mr. Sahil Dilip Dalal | Non-Executive, Non-Independent | 3/4 |

Further, Ms. Pragya Kaul, Company Secretary & Compliance Officer acts as Secretary to the Committee.

II. Nomination & Remuneration Committee

Introduction

The Nomination & Remuneration Committee is responsible for formulating evaluation policies and reviewing all major aspects of the Company's HR processes relating to hiring, training, talent management, succession planning and the

compensation structure of the Directors, KMP, and Senior Management. The Committee also anchored the performance evaluation of the Individual Directors. None of the recommendations made by the Committee were rejected by the Board.

Key terms of Reference of the Committee are:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to, the remuneration of the Directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
3. Devising a policy on diversity of Board of Directors;
4. Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal;
5. Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors;
6. Recommend to the Board, all remuneration, in whatever form, payable to senior management.

The Committee also plays the role of Compensation Committee and is responsible for administering Eureka Forbes – Employee Stock Option Plan 2022 (“Stock Option Schemes”) as applicable to the employees of the Company.

The Nomination and Remuneration Committee met 3 (three) times during the Financial Year 2023-24 on May 29, 2023, August 08, 2023, and November 09, 2023.

| Name of the Member | Category | Attendance |
|-------------------------------------|--------------------------------|------------|
| Mrs. Gurveen Singh (Chairperson) | Non-Executive, Independent | 3/3 |
| Mr. Vinod Rao | Non-Executive, Independent | 3/3 |
| Mr. Homi Adi Katgara | Non-Executive, Independent | 3/3 |
| Mr. Sahil Dilip Dalal | Non-Executive, Non-Independent | 2/3 |

Further, Ms. Pragya Kaul, Company Secretary & Compliance Officer acts as Secretary to the Committee.

Remuneration Policy

Your Company’s Nomination & Remuneration Policy for Directors and Senior Managerial Personnel has been approved by the Nomination & Remuneration Committee and the Board. It is driven by the success and performance of individual employees and the Company. Through its compensation programme, the Company endeavours to attract, retain, develop, and motivate a high-performance workforce.

The purpose of the Remuneration Policy is to establish and govern the procedures applicable.

- To evaluate the performance of the members of the Board.
- To ensure remuneration payable to Directors, KMP’s & other Senior Management strike an appropriate balance and are commensurate among others with the functioning of the Company and its long-term objectives.
- To retain, motivate, and promote talent within the Company, and to ensure the long term sustainability of the managerial persons and create competitive advantage.

The policy inter alia covers the Directors’ appointment and remuneration, Key Managerial Personnel, and other senior management’s appointment and remuneration.

The Remuneration Policy as required under Section 178 of the Companies Act, 2013, is available on the website of the Company and can be accessed at web link: www.eurekaforbes.com/media/investor-relations/Nomination-and-Remuneration-Policy-new.pdf.

Performance Evaluation of the Board and its Criteria

Pursuant to the provisions of the Act, SEBI Listing Regulations and Nomination & Remuneration Policy, the Board has carried out annual evaluation of its performance, its Committee(s) and of each Director. The process of performance Evaluation was anchored by the Chairman of the Board and Chairperson of the Nomination & Remuneration Committee.

The Nomination and Remuneration Committee engaged with Egon Zehnder, external consultants, to jointly work on Board evaluation for the year. The evaluation of all the Directors, Committees, Chairman of the Board, and the Board as a whole, was conducted based on the criteria and framework adopted by the Board. The Board evaluation process was completed during Financial Year 2023-24.

A structured questionnaire was prepared and circulated to the Directors for each of the evaluation who submitted their response to the Chairperson of Nomination & Remuneration Committee.

The performance of the Board as a whole was evaluated by each Director on parameters such as its roles and responsibilities, contribution to the development of strategy and effective risk management, understanding of business operations, availability of quality information in a timely manner, etc. and submitted.

Board Committees were evaluated by the respective Committee members on parameters such as its role and responsibilities, effectiveness of the Committee vis-a-vis assigned role, appropriateness of Committee composition, timely receipt of information by the Committee, upgrading knowledge by the Committee members, effectiveness of communication by the Committee with the Board, Senior Management and Key Managerial Personnel etc.

The performance of the Chairman was evaluated by the Independent Directors on the parameters such as demonstration of effective leadership, contribution to the Board's work, communication with the Board, use of time and overall efficiency of Board Meetings, quality of discussions at the Board Meetings etc.

The Directors were evaluated individually by all other Directors (except the Director himself/herself); Non-executive Directors evaluated Independent Directors and vice versa on various parameters. Independent Directors were additionally evaluated for their performance and fulfilment of criteria of independence and their independence from the Management.

The Meeting of Independent Directors was held on March 21, 2024. The Independent Directors, inter alia, evaluated performance of Non-Independent Directors, the Chairman of the Company and the Board as a whole. They also assessed the quality, content and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

The Board Evaluation discussion was focussed on how to make the Board more effective as a collective body in the context of the business and the external environment in which the Company functions. From time to time during the year, the Board was apprised of relevant business issues and related opportunities and risks. The Board discussed various aspects of its functioning and that of its Committees such as structure, composition, meetings, functions and interaction with management and what needs to be done to further augment the effectiveness of the Board's functioning.

The overall assessment of the Board was that it was functioning as a cohesive body including the Committees of the Board. During Financial Year 2023-24, the Company actioned the feedback from the Board evaluation process conducted in Financial Year 2022-23.

The Board noted the key improvement areas emerging from this exercise in Financial Year 2022-23 and action plans to address the same are in progress. These include Business Strategy, Business Continuity Plan and other matters.

III. Stakeholders' Relationship Committee (SRC)

Introduction

The SRC oversees the various aspects of interests of security holders of the Company. The Committee also monitors the performance of the Registrar & Share Transfer Agent and recommends measures for overall improvement of the quality of investor services as and when the need arises. None of recommendations made by the Committee were rejected by the Board.

Key Terms of Reference of the Committee are:

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of Annual Report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/Annual Reports/statutory notices by the shareholders of the Company.

The Stakeholders' Relationship Committee met once during the Financial Year 2023-24 on January 30, 2024.

| Name of the Member | Category | Attendance |
|--|--------------------------------|------------|
| Mr. Arvind Uppal (Chairman) | Non-Executive, Non-Independent | 1/1 |
| Mr. Vinod Rao | Non-Executive, Independent | 1/1 |
| Mr. Pratik Rashmikanth Pota | Managing Director & CEO | 1/1 |
| Mrs. Gurveen Singh | Non-Executive, Independent | 1/1 |
| Mr. Shashank Shankar Samant ¹ | Non-Executive, Independent | 1/1 |

Notes:

1. Appointed as a Member of the Committee with effect from May 29, 2023.

Further, Ms. Pragya Kaul, Company Secretary & Compliance Officer acts as Secretary to the Committee.

The status of investor grievance redressal mechanism as required under the SEBI (LODR) Regulations, 2015 is filed with the Stock Exchange within twenty-one days from the end of each quarter a statement giving the number of investor complaints pending at the beginning of the quarter, those received during the quarter, disposed of during the quarter and those remaining unresolved at the end of the quarter and the statement is placed before the Committee and the Board periodically. There were no instances where the grievance was not solved to the satisfaction of the shareholders.

Details of the complaints received from shareholders during Financial Year 2023-24 are as follows:



IV. Corporate Social Responsibility Committee (CSR)

Introduction

The CSR Committee's responsibilities include developing the CSR Policy and the activities that the Company will engage in. The CSR Committee also recommends to the Board the amount of spending to be made on CSR activities of the Company, and evaluates the Company's performance in these areas. None of the recommendations made by the Committee were rejected by the Board.

Key Terms of Reference of the Committee are:

1. Formulate and recommend to the Board the CSR Policy and activities to be undertaken
2. Recommend the amount of expenditure to be incurred on CSR activities
3. Formulate and review the Annual Action Plan in pursuance of the CSR Policy
4. Oversee the manner of execution of projects or programmes; the modalities of utilisation of funds and implementation
5. Schedules for the projects/programmes
6. Monitoring and reporting mechanism for the projects/programmes

The Corporate Social Responsibility Committee met 03 (Three) times during the Financial Year 2023-24 on May 29, 2023, August 08, 2023 and January 30, 2024.

| Name of the Member | Category | Attendance |
|----------------------------------|----------------------------|------------|
| Mrs. Gurveen Singh (Chairperson) | Non-Executive, Independent | 3/3 |
| Mr. Vinod Rao | Non-Executive, Independent | 3/3 |
| Mr. Pratik Rashmikanth Pota | Managing Director & CEO | 3/3 |
| Mr. Homi Adi Katgara | Non-Executive, Independent | 2/3 |

Further, Ms. Pragya Kaul, Company Secretary & Compliance Officer acts as Secretary to the Committee.

V. Risk Management Committee (RMC)

Introduction

The Risk Management Committee ('RMC') inter alia formulates the Enterprise Risk Management Policy and reviews the same periodically; monitors and oversees implementation of the Policy, including evaluating the adequacy of risk management systems; ensures appropriate methodology, processes, and systems are in place to monitor and evaluate business risks, informs the Board about its discussions, recommendations, and actions to be taken; and appoints the Chief Risk Officer, including terms of remuneration. None of the recommendations made by the Committee were rejected by the Board.

The Risk Management Committee also safeguards the shareholders' interests and the Company's assets, reviews reports from the Company's internal audit function relating to risk management, and all other matters specified under the Act, Listing Regulations or any other role as may be prescribed by law or by the Board of Directors from time to time.

Key Terms of Reference of the Committee are:

1. To formulate a detailed risk management policy which shall include:
 - a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including risk related to Regulatory / Compliance, Market Risk, Consumer / Reputation, Supply Chain Risk, Information / Cyber Security, People Risk or any other risk as may be determined by the Committee.
 - b) Measures for risk mitigation including systems and processes for internal control of identified risks.
 - c) Business continuity plan.
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- The appointment, removal and terms of remuneration of the Chief Risk Officer shall be subject to review by the Risk Management Committee.

The Risk Management Committee met 02 (Twice) during the Financial Year 2023-24 on August 08, 2023 and January 30, 2024.

| Name of the Member | Category | Attendance |
|--|--------------------------------|------------|
| Mr. Vinod Rao (Chairman) | Non-Executive, Independent | 2/2 |
| Mr. Arvind Uppal | Non-Executive, Non-Independent | 2/2 |
| Mr. Sahil Dilip Dalal | Non-Executive, Non-Independent | 2/2 |
| Mrs. Gurveen Singh | Non-Executive, Independent | 2/2 |
| Mr. Shashank Shankar Samant ¹ | Non-Executive, Independent | 2/2 |

Note:

- Appointed as a Member of the Committee with effect from May 29, 2023.

Further, Ms. Pragya Kaul, Company Secretary & Compliance Officer acts as Secretary to the Committee.

4. DIRECTORS' REMUNERATION

Remuneration paid to Managing Director & CEO:

Mr. Pratik Pota was appointed as the Managing Director & CEO of the Company with effect from August 16, 2022. The annual remuneration package of Mr. Pota constitutes a fixed salary component including allowances/reimbursements; a variable pay component

as approved by the Nomination & Remuneration Committee and the Board of Directors, from time to time. The Commission is performance-linked and such other parameters as may be fixed by the Nomination and Remuneration Committee and Board from time to time. All other components are fixed.

The details of the remuneration paid to the Managing Director & CEO in the Financial Year 2023-24 is reproduced below:

| Particulars | Amount (₹ In Lakhs) |
|----------------------------------|---------------------|
| Salary & Perquisites | 552.86 |
| Contribution to retiral benefits | 22.92 |
| Total | 575.78 |

Notes:

- During the Financial Year 2023-24, 83,19,608 stock options were granted to Mr. Pratik Rashmikan Pota (DIN:00751178), Managing Director and CEO, at a grant price of ₹ 210/-. These options granted shall vest not earlier than the minimum period of 1 (One) year and not later than the maximum period of 7 (Seven) years from the date of Grant based on KPIs achieved and the Company's performance. The vested options will be exercised over a period of 4 (Four) years from the date of vesting.

Of the above mentioned options, 5,80,438 options are time based and have vested in May, 2024. There are no further time based options.

- The variable pay of Managing Director and CEO is paid annually which is determined by NRC after factoring in KPIs achieved and the Company's performance.
- The appointment of the Managing Director & CEO is contractual in nature. He may resign by giving 06 (Six) months written notice without assigning any reason whatsoever. The Company can terminate the appointment by giving 06 (Six) months written notice without assigning any reason whatsoever.

Remuneration to Non-Executive Directors:

Non-Executive Directors are remunerated by way of sitting fees for attending the meetings and an annual commission. The criteria for making payment to the Non-Executive Directors and Independent Directors are available on website of the Company at www.eurekaforbes.com/media/Code_of_Conduct_for_Non_Executive_Director.pdf.

Details of the Sitting Fees and Commission paid to Non-Executive Directors in the Financial Year 2023-24 is mentioned below:

| | | | | (in ₹) |
|---------|-----------------------------|--------------|------------|-----------|
| Sr. No. | Name of the Director | Sitting Fees | Commission | Total |
| 1. | Mr. Arvind Uppal | 2,15,000 | 27,00,000 | 29,15,000 |
| 2. | Mr. Sahil Dilip Dalal | NA | NA | NA |
| 3. | Mr. Vinod Rao | 2,50,000 | 27,00,000 | 29,50,000 |
| 4. | Mrs. Gurveen Singh | 2,10,000 | 27,00,000 | 29,10,000 |
| 5. | Mr. Homi Adi Katgara | 2,15,000 | 27,00,000 | 29,15,000 |
| 6. | Mr. Shashank Shankar Samant | 2,15,000 | 13,50,000 | 15,65,000 |

The Commission payable to the Non-Executive Directors of the Company for the Financial Year 2023-24 is ₹ 27,00,000 per Director. Mr. Sahil Dilip Dalal has waived his right to sitting fees and commission.

Other Terms

During the year under review, there were no other pecuniary transactions or relationships of Non-Executive Directors with the Company. The Company has not granted any stock options of the Company to any of its Non-Executive Directors during the year under review.

5. GENERAL BODY MEETINGS

Details in respect of the General Meetings of the Company held during the last three years are as follows:

| Date of the Meeting (Years) | Venue | Time | Special Resolution passed |
|---|---|--------------|---|
| September 22, 2023 (14 th Annual General Meeting) | The meeting was conducted through Video Conferencing and Other Audio Visual Means. The deemed venue of the meeting was the registered office of the Company | 10:00 AM IST | <ul style="list-style-type: none"> To consider and approve waiver of excess Managerial Remuneration to former Managing Director & Chief Executive Officer To consider and approve waiver of excess Managerial Remuneration to Managing Director & Chief Executive Officer (Managing Director & CEO) Approval of Payment of Commission to the Non-Executive Directors of the Company To consider and approve the overall managerial remuneration of the Directors of the Company |
| April 19, 2023 (Extra Ordinary General Meeting) | The meeting was conducted through Video Conferencing and Other Audio Visual Means. The deemed venue of the meeting was the registered office of the Company | 10:00 AM IST | <ul style="list-style-type: none"> Approval of proposed grant of Stock Options equal to or exceeding 1% (One Percent) of issued capital of the Company under Eureka Forbes - Employee Stock Option Plan 2022 at the time of grant to identified employee(s) |
| December 22, 2022 (13 th Annual General Meeting) | The meeting was conducted through Video Conferencing and Other Audio Visual Means. The deemed venue of the meeting was the registered office of the Company | 04:00 PM IST | <ul style="list-style-type: none"> Appointment of Mr. Shashank Shankar Samant (DIN: 09733485) as Non-Executive and Independent Director Payment of Commission to Non-Executive Directors Consideration and approval of payment of Managerial Remuneration and waiver of excess Managerial Remuneration payable to Managing Director & Chief Executive Officer (Managing Director & CEO) |
| September 13, 2021 (12 th Annual General Meeting) | B1/B2, 701, Marathon Innova, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400013 | 10:00 AM IST | - |

6. MEANS OF COMMUNICATION

Website, News & Events

A separate dedicated section under 'Investors' at www.eurekaforbes.com/investor-relations gives information on applicable policies including policy on dealing with related-party transactions which is at www.eurekaforbes.com along with news and events held during the year of the Company.

A separate dedicated section under 'Investors' section on the Company's website at www.eurekaforbes.com gives information on policy for determining material subsidiary at www.eurekaforbes.com.

The quarterly, half-yearly and yearly financial results prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind-AS Rules) in the format prescribed under Regulation 33 of the Listing Regulations are sent to the Stock Exchange where the shares of the Company are listed i.e. BSE Limited. The results are normally published in "Financial Express" (English Daily) and "Mumbai Lakshadeep" (Marathi Daily) within 48 hours of the conclusion of the Meeting of the Board in which they are approved.

The results are displayed on the Company's website www.eurekaforbes.com/investor-relations/financial-information/eurekaforbes-ltd/.

The proceedings of the General Meetings are also available on the Company's website at www.eurekaforbes.com/investor-relations/shareholders-information/annual-general-meeting/fy22-23.

Other information, such as Press Release and Presentations made to investors and analysts etc. is regularly updated on the Company's website.

The required disclosures were made to the Stock Exchange and were uploaded on the website of the Company at www.eurekaforbes.com.

Common Online Dispute Resolution Mechanism

SEBI, vide Circular Nos. SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/131, SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/135 and SEBI/HO/OIAE/OIAE_IAD-3/P/CIR/2023/191 dated July 31, 2023, August 04, 2023 and December 20, 2023 respectively, has introduced a Common ODR mechanism to facilitate online resolution of all kinds of grievances/disputes/complaints arising in the Indian Securities Market. Additionally, SEBI Circular No. SEBI/HO/OIAE/IGRD/CIR/P/2023/156 dated September 20, 2023 has been issued for redressal of investor grievances through SEBI SCORES Platform and linking it to ODR Platform. The said ODR Portal permits the Members(s) an additional mechanism to resolve the grievances/complaints/disputes as mentioned below:

Level 1: Approach RTA or the Company

At the initial stage, all grievances/disputes/complaints are required to be directly lodged with the RTA/the Company. The Member(s) may send an email to rnt.helpdesk@linkintime.co.in or compliance@eurekaforbes.com or send the physical correspondence addressed to M/s. Link Intime India Private Limited (Unit: Eureka Forbes Limited), C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083

Level 2: Escalate to SEBI SCORES Platform

In case the grievances/disputes/complaints are not redressed to the satisfaction of the Member(s) at Level 1, then the Member(s) may escalate the same on the SEBI Complaints Redress System ("SCORES") Platform at <https://www.scores.gov.in> in accordance with the process laid out therein.

Level 3: Initiate Dispute Resolution Process on ODR Platform

In case the grievances/disputes/complaints of the Member(s) are not resolved at Level 1/Level 2, then the ODR Process may be initiated through the ODR Portal within the applicable timeframe under law.

7. SHAREHOLDERS' INFORMATION

15th (Fifteenth) Annual General Meeting (through Video Conference/Other Audio Visual Means)

Day & Date: Friday, September 20, 2024

Time: 12:00 noon IST

Venue: The 15th Annual General Meeting of the Company ('AGM') is being conducted through VC/OAVM facility and the deemed venue for the AGM shall be the Registered Office of the Company.

Book Closure date: Not Applicable

Dividend Payment date: Not Applicable

Financial year: The Financial Year of the Company is from April 01 to March 31.

Name of the Stock Exchange: BSE Limited

Address of the Stock Exchange: Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai 400 001

BSE Scrip ID: 543482

BSE Scrip Code: EUREKAFORBE

ISIN: INE0KCE01017

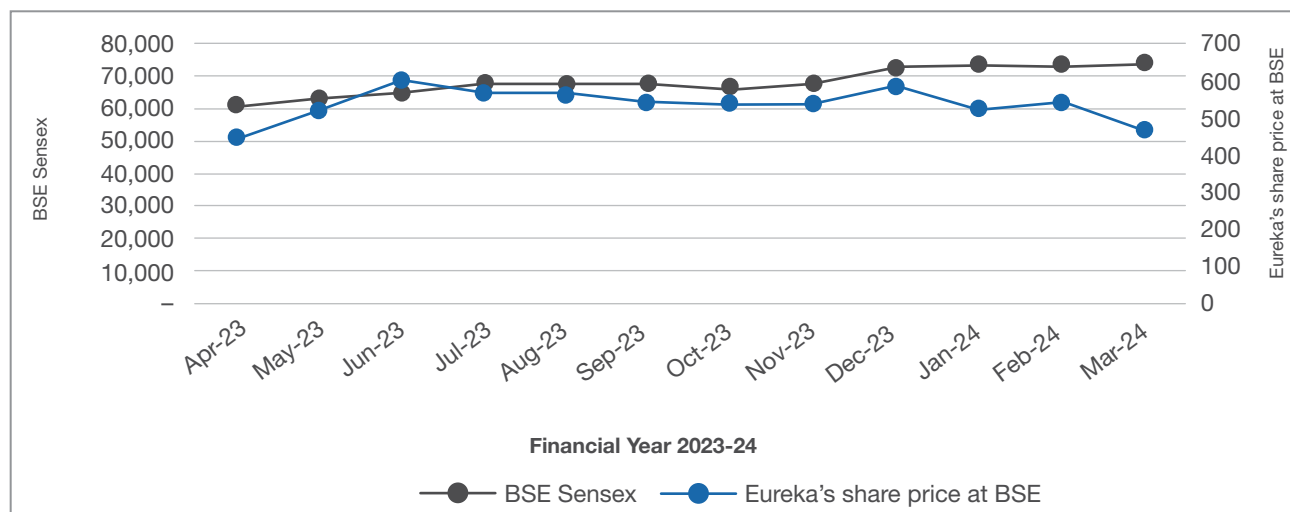
Your Company has paid the Listing fees to the Stock Exchange for the Financial Year 2023-24 for Equity Shares.

Market Price Data and Comparison:

Monthly high and low price of the equity shares of the Company from April 2023 to March 2024 is given as below and performance in comparison to BSE Sensex is given in Chart:

| Month | BSE Limited | |
|-----------|-------------|---------|
| | High (₹) | Low (₹) |
| April | 451.60 | 370.55 |
| May | 516.95 | 355.00 |
| June | 598.75 | 469.00 |
| July | 569.00 | 480.55 |
| August | 564.00 | 491.05 |
| September | 538.40 | 471.30 |
| October | 544.75 | 481.25 |
| November | 536.95 | 490.00 |
| December | 588.00 | 508.00 |
| January | 525.00 | 445.25 |
| February | 544.00 | 423.00 |
| March | 468.95 | 421.50 |

The performance of your Company's shares relative to the BSE Sensex is given in the chart below:



Registrar & Transfer Agents**Link Intime India Private Limited**

C 101, 247 Park, L.B.S. Marg, Vikhroli (West),
Mumbai - 400 083

Phone: +91 22 4918 6000

E-mail: info@linkintime.co.in

Contact Person: Mr. Ishwar Suvarna

Share Transfer System

All share transfer and other communications regarding share certificates, change of address, dividends, etc. should be addressed to the Registrar and Transfer Agent (RTA).

In terms of the SEBI Listing Regulations, effective from April 1, 2019, securities of listed companies can only be transferred in dematerialised form except where the claim is lodged for transmission or transposition of

shares or where the transfer deed(s) was lodged prior to April 1, 2019 and returned due to deficiency in the documents. SEBI vide its Circular No. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/166 dated September 7, 2020 has instructed companies to not accept transfer requests in physical form with effect from March 31, 2021. Hence, the Company has not accepted any document for transfer of shares in physical form post March 31, 2021.

Shareholders are advised to dematerialise their shares held by them in physical form at the earliest. Requests for dematerialisation of shares are processed by RTA and confirmation thereof is given to the respective depositories i.e. National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL") within the statutory time limit from the date of receipt of share certificates, provided the documents are complete in all respects.

Distribution of Shareholding as on March 31, 2024

| Category (Shares) | No. of Shareholders | % to total shareholders | No. of Shares | % to total no. of shareholders |
|-------------------|---------------------|-------------------------|---------------------|--------------------------------|
| Upto 500 | 20487 | 74.49 | 24,24,005 | 1.25 |
| 501 to 1000 | 3168 | 11.52 | 23,52,473 | 1.22 |
| 1001 to 2000 | 1982 | 7.21 | 26,50,036 | 1.37 |
| 2001 to 3000 | 641 | 2.33 | 16,51,072 | 0.85 |
| 3001 to 4000 | 205 | 0.74 | 7,25,619 | 0.38 |
| 4001 to 5000 | 224 | 0.81 | 10,28,829 | 0.53 |
| 5001 to 10000 | 420 | 1.53 | 30,50,072 | 1.58 |
| 10001 and above | 377 | 1.37 | 17,95,97,134 | 92.82 |
| Total | 27504 | 100.00 | 19,34,79,240 | 100.00 |

Shareholding base expanded significantly since listing

25 to 91 (3.6x)

Institutional shareholders

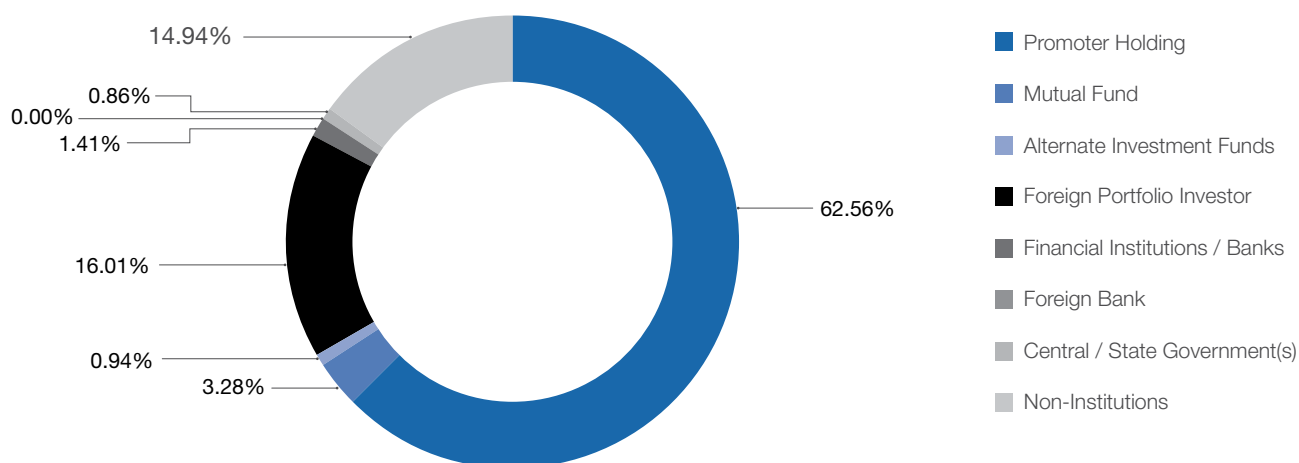
13.5k to 28.1k (2.1x)

Non Institutional shareholders

Shareholding Pattern as on March 31, 2024

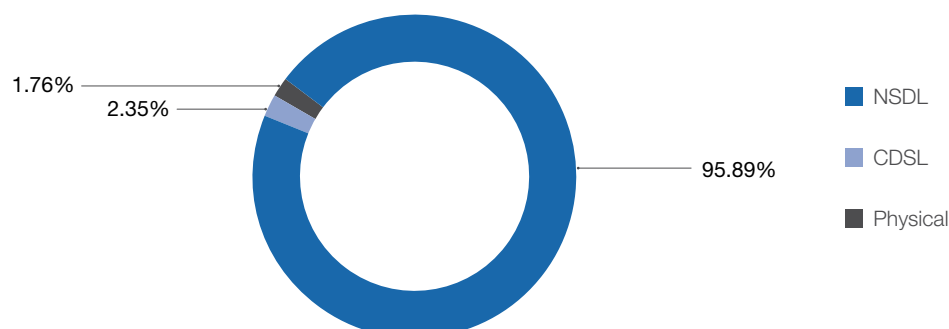
| Sr. No. | Category | No. of Shares | % of Shareholding |
|----------|--------------------------------|---------------------|-------------------|
| A | Promoter Holding | | |
| 1 | Promoter & Promoter Group | 12,10,41,730 | 62.56 |
| | Sub-Total (A) | 12,10,41,730 | 62.56 |
| B | Non-Promoter Holding | | |
| 1 | Institutional Investor | | |
| 1.1 | Mutual Fund | 63,43,419 | 3.28 |
| 1.2 | Alternate Investment Funds | 18,12,301 | 0.94 |
| 1.3 | Foreign Portfolio Investor | 3,09,84,681 | 16.01 |
| 1.4 | Financial Institutions / Banks | 27,55,369 | 1.41 |
| 1.5 | Foreign Bank | 1,950 | 0.00 |
| 2 | Central / State Government(s) | 16,55,145 | 0.86 |
| | Sub-Total (B) | 4,35,52,865 | 22.50 |
| | Non-Institutions | | |
| 1 | Bodies Corporate/LLP | 91,82,760 | 4.75 |
| 2 | Non-Resident Indians | 7,24,627 | 0.37 |
| 3 | Individuals/HUF/Trust/Others | 1,89,77,258 | 9.82 |
| | Sub-Total (C) | 2,88,84,645 | 14.94 |
| | Grand Total (A+B+C) | 19,34,79,240 | 100.00 |

Shareholding Pattern



Dematerialisation & Liquidity of Shares

As on March 31, 2024, 98.28% of the total issued share capital was held in dematerialised form with NSDL and CDSL, and the break-up is as follows:



Plant Locations:**Dehradun**

Khasra Number 3946, 3961 & 3962, Lal Tappar Industrial Area, Majri Grant, Dehradun-Haridwar Highway, Tehsil – Rishikesh, Dist. – Dehradun, Uttarakhand - 248140

Bengaluru

Plot No. 143, C-4, Bommasandra Industrial Area, Hosur Road, Bengaluru - 560099

Address for Correspondence

Ms. Pragya Kaul is the Company Secretary & Compliance Officer of the Company. The correspondence address of the Company is:

Registered Office – B1/B2, 7th Floor, 701, Marathon Innova, Ganpatrao Kadam Marg, Lower Parel, Mumbai, Maharashtra – 400013, India.

Phone: +91 22 4882 1700

Fax: +91 22 4882 1701

Website: www.eurekaforbes.com

E-mail: compliance@eurekaforbes.com

The Company welcomes all the members to communicate with the Company as per the above details or through the Company's Registrar and Share Transfer Agent (RTA): Link Intime India Private Limited.

Link Intime India Private Limited

C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083

Phone: +91 22 4918 6000

E-mail: info@linkintime.co.in

Outstanding ADRs/GDRs/Warrants or any convertible instruments, conversion date and likely impact on equity

The Company does not have any outstanding Global Depository Receipts or American Depository Receipts or warrants or any convertible instruments.

Credit Ratings

During the year under review, the Company's credit rating was revised from CARE A/Stable for long-term bank facilities to CARE A+/Stable. The details of Credit Rating are available on the website of the Company at www.eurekaforbes.com/investor-relations/shareholders-information/credit-rating.

8. OTHER DISCLOSURES**(a) Disclosures on materially related party transactions that may have potential conflict with the interests of listed entity at large**

During the Financial Year 2023-24, there was no materially related party transaction that may have potential conflict with the interests of the Company at large. For reference, the details of related party transactions in accordance with IND AS-24 are given in Note No. 34 of Notes to Accounts of the

Annual Report. The Policy on Materiality of RPTs and dealing with RPTs as approved by the Board is uploaded on the Company's website at the web link www.eurekaforbes.com/media/investor-relations/Policy-on-Materiality-of-Related-Party-Transactions-and-on-dealing-with-Related-Party-Transactions.pdf.

(b) Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the Board or any statutory authority, on any matter related to capital markets, during the last three years

The Company has not been penalised, nor have the stock exchanges, SEBI or any statutory authority imposed any strictures, during the last three years, on any matter relating to capital markets.

(c) Details of establishment of vigil mechanism / whistle blower policy, and affirmation that no personnel has been denied access to the audit Committee

The Company has adopted a Whistle Blower Policy which means alert/vigilant empowering any person associated with the organisation to file a grievance if he/she notices any irregularity. The Policy is available on the website of the Company at www.eurekaforbes.com/media/pdf/whistle-blower-policy.pdf. No person has been denied access to the Audit Committee for any grievance.

(d) Web link where policy for determining 'material' subsidiaries is disclosed

The policy for determining 'material' subsidiaries is available on the website of the Company under "Codes & Policies" in the Corporate Governance section and can be accessed at www.eurekaforbes.com/media/pdf/PolicyonMaterialSubsidiary.pdf.

(e) Disclosure of commodity price risks and commodity hedging activities

The Company is exposed to the risks associated with volatility in foreign exchange rates mainly on account of import of finished goods and components. A robust planning and strategy ensures that the Company's interest is protected despite volatility in foreign exchange rates and commodity prices. The Company does not enter into any derivative instruments for trading or speculative purposes. The Company has not entered into any commodity hedging activities. The details of unhedged foreign currency exposure as on March 31, 2024 are disclosed in the Note No. 40 (c)(i) to the Standalone Financial Statements.

(f) Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A)

The Company did not raise any funds through preferential allotment or qualified institutions placement during the year.

(g) Certificate from a Company Secretary in practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

On the basis of written representations/declaration received from the Directors, as on March 31, 2024, M/s Miheh Halani & Associates, Company Secretaries (Membership No. FCS9926, CP No. 12015), have issued a certificate, confirming that none of the Directors on Board of the Company has been debarred or disqualified from being appointed or continuing as Director of companies by SEBI/MCA or any such authority and the same also forms part of this Report.

(h) Where the Board had not accepted any recommendation of any Committee of the Board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof

The Board accepted the recommendations of its Committees, wherever made, during the financial year.

(i) Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part

The details of remuneration paid to the Statutory Auditor is given in Note No. 30 forming part of the Standalone Financial Statements. The statutory auditors and their network firm/network entity are not providing any services to the Subsidiaries of the Company.

(j) Disclosure of the extent to which the Discretionary Requirements as specified in Part E of schedule II have been adopted

- a. The Board: The Company's Chairman is a Non-Executive Director and is entitled to maintain the Chairman's office at the Company's expense and is also allowed reimbursement of expenses incurred in performance of his duties.
- b. Shareholder Rights: Quarterly Financial Statements are published in leading

newspapers and uploaded on Company's website www.eurekaforbes.com.

- c. Modified opinion(s) in audit report: Auditors have raised no qualification on the Financial Statements.
- d. Separate posts of Chairman and the MD or CEO: Presently, Mr. Arvind Uppal is the Non-Executive Chairman and Mr. Pratik Rashmikant Pota is the Managing Director & CEO of the Company.
- e. Reporting of M/s. PricewaterhouseCoopers Internal Auditor: The Company has appointed an Internal Auditor who has direct access to the Chairman, Audit Committee.

(k) Disclosures of the compliance with Corporate Governance requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub regulation (2) of Regulation 46

The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Further, the certificate by Practicing Company Secretary with respect to compliance with Regulation 17 to 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to Corporate Governance, has been annexed to this Report.

(l) Policy for Prevention of Sexual Harassment of Women at Workplace

The Company values the dignity of individuals and is committed to providing an environment, which is free of discrimination, intimidation and abuse. As per the requirement of the Prevention of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('POSH Act') and Rules made thereunder, your Company has constituted Internal Complaint Committee (ICC) and has a well-defined policy. The Company has in place an effective mechanism for dealing with complaints relating to sexual harassment at workplace. During the year, the Company has not received any complaint under the Policy.

- a. Number of complaints filed during the Financial Year – 1
- b. Number of complaints disposed of during the Financial Year – 1
- c. Number of complaints pending as on end of the Financial Year – NIL

(m) Dividend Policy

The Company has adopted a Dividend Policy which has been displayed on the Company's website and can be accessed at www.eurekaforbes.com/media/investor-relations/Dividend-Distribution-Policy.pdf.

(n) Legal Compliance Reporting

The Board of Directors reviews, on a quarterly basis, the report of compliance with respect to all applicable laws and regulations.

(o) Demat Suspense Account

The Company has a Suspense Escrow Demat Account pursuant to SEBI/HO/MIRSD/PoD-1/OW/P/2022/64923 dated December 30, 2022.

| Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year | Number of shareholders who approached listed entity for transfer of shares from suspense account during the year | Number of shareholders to whom shares were transferred from suspense account during the year | Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year |
|--|--|--|--|
| 2 shareholders holding 4,905 shares | 0 | 0 | 2 shareholders holding 4,905 shares |

Parameters of Statutory compliances evidencing the standards expected from a listed entity have been duly observed and a Report on Corporate Governance as well as the Certificate from Practicing Company Secretary confirming compliance with the requirements of SEBI Listing Regulations forms part of the Annual Report.

(p) Code of Conduct

The Company has formulated and adopted Code of Conduct for members of the Board of Directors and senior management personnel (which incorporates the duties of Independent Directors) as laid down in Schedule IV of the Act ('Code for Independent Directors') in accordance with Regulation 17(5) of the SEBI Listing Regulations which is available on the website www.eurekaforbes.com/media/Code_of_Conduct_for_Board_of_Directors_Senior_Management_Personnel.pdf. The Company has received confirmation from all members of the Board of Directors and Senior Management Personnel regarding compliance of the Code for the year under review. The declaration signed by Mr. Pratik Rashmikant Pota, Managing Director & CEO stating that the members of Board of

Directors and senior management personnel have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management Personnel is forming part of this report.

- (q)** Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which Directors are interested by name and amount': **Not Applicable**
- (r)** Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries: **Not applicable**
- (s)** Disclosure of agreements entered under Clause 5A of Paragraph A of Part A of Schedule III which are binding on Listed entities: **Not applicable**

On behalf of the Board of Directors of
Eureka Forbes Limited

Arvind Uppal

Chairman

(DIN: 00104992)

Place: Gurugram

Date: August 08, 2024

**DECLARATION REGARDING COMPLIANCE WITH THE CODE OF CONDUCT OF THE COMPANY BY
THE BOARD MEMBERS AND SENIOR MANAGERIAL PERSONNEL****[Pursuant to Regulation 34(3) and Schedule V of the SEBI Listing Regulations]**

I, Pratik Rashmikan Pota, Managing Director & CEO of Eureka Forbes Limited, hereby declare that all the members of the Board of Directors and the Senior Management Personnel have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management Personnel, applicable to them as laid down by the Board of Directors in terms of Regulation 26(3) of the SEBI Listing Regulations for the Financial Year ended March 31, 2024.

On behalf of the Board of Directors of
Eureka Forbes Limited

Sd/-

Pratik Rashmikan Pota
Managing Director & CEO
DIN 00751178

Place: Mumbai
Date: August 08, 2024

CERTIFICATE OF PRACTICING COMPANY SECRETARY ON CORPORATE GOVERNANCE

To,
The Members
EUREKA FORBES LIMITED

We have examined the compliance of conditions of Corporate Governance by Eureka Forbes Limited ("the Company"), for the financial year ended on March 31, 2024, as stipulated in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para-C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedure and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations as given to us, we certify that the Company, to the extent applicable, has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We state that in respect of investor's grievance received during the financial year ended March 31, 2024, the Registrar and Transfer Agent of the Company have certified that as at March 31, 2024, there were no investors' grievances remaining unattended / pending to the satisfaction of the investor.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **MIHEN HALANI & ASSOCIATES**
Practicing Company Secretaries

Place: Mumbai
Date: May 28, 2024
ICSI UDIN: F009926F000464921

Mihlen Halani
(Proprietor)
CP No: 12015
FCS No: 9926

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and clause (10)(i) of Para C of Schedule V to the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members,

EUREKA FORBES LIMITED

B1/B2, 7th Floor, 701, Marathon Innova,
Ganpatrao Kadam Marg, Lower Parel,
Mumbai – 400 013, Maharashtra, India

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Eureka Forbes Limited** bearing **CIN - L27310MH2008PLC188478** and having registered office at B1/B2, 7th Floor, 701, Marathon Innova, Ganpatrao Kadam Marg, Lower Parel, Mumbai – 400 013, Maharashtra, India (**hereinafter referred to as “the Company”**), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal of the Ministry of Corporate Affairs at “www.mca.gov.in”) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on **March 31, 2024** have been debarred or disqualified from being appointed or continuing as Director of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

| Sr. No. | Name of Directors | DIN | Designation | Date of Appointment In Company |
|---------|-----------------------------|----------|---|--------------------------------|
| 1 | Mr. Arvind Uppal | 00104992 | Non-Executive – Non-Independent Director, Chairperson | 26/04/2022 |
| 2 | Mr. Pratik Rashmikanth Pota | 00751178 | Executive Director, CEO-MD | 16/08/2022 |
| 3 | Mr. Homi Adi Katgara | 00210338 | Non-Executive - Independent Director | 31/01/2022 |
| 4 | Mr. Vinod Rao | 01788921 | Non-Executive - Independent Director | 26/04/2022 |
| 5 | Mr. Sahil Dilip Dalal | 07350808 | Non-Executive - Non-Independent Director | 26/04/2022 |
| 6 | Mrs. Gurveen Singh | 09507365 | Non-Executive - Independent Director | 26/04/2022 |
| 7 | Mr. Shashank Shankar Samant | 09733485 | Non-Executive - Independent Director | 10/10/2022 |

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **MIHEN HALANI & ASSOCIATES**
Practicing Company Secretaries

Place: Mumbai
Date: May 28, 2024
ICSI UDIN: F009926F000464886

Mihlen Halani
(Proprietor)
CP No: 12015
FCS No: 9926

ANNEXURE – 7

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (BRSR)

[under Regulation 34(2)(f) of the Securities and Exchange Board of India
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

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Integrated Annual Report 2023-24

SECTION A: GENERAL DISCLOSURES

I. DETAILS OF THE LISTED ENTITY

| | |
|--|--|
| 1. Corporate Identity Number (CIN) of the Listed Entity: | L27310MH2008PLC188478 |
| 2. Name of the Listed Entity: | Eureka Forbes Limited (formerly Forbes Enviro Solutions Limited) |
| 3. Year of incorporation: | November 26, 2008 |
| 4. Registered office address: | B1/B2, 7th Floor, 701, Marathon Innova, Ganpatrao Kadam Marg, Lower Parel, Mumbai – 400013 |
| 5. Corporate address: | B1/B2, 7th Floor, 701, Marathon Innova, Ganpatrao Kadam Marg, Lower Parel, Mumbai – 400013 |
| 6. E-mail: | compliance@eurekaforbes.com |
| 7. Telephone: | +91 2248821700 |
| 8. Website: | www.eurekaforbes.com |
| 9. Financial year for which reporting is being done: | FY 2023-24 |
| 10. Name of the Stock Exchange(s) where shares are listed: | BSE Limited |
| 11. Paid-up Capital: | ₹ 1,93,47,92,400 |
| 12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report: | Name: Mr. Pratik Rashmikan Pota Designation: Managing Director & Chief Executive Officer Email id: compliance@eurekaforbes.com Telephone: +91 2248821700 |
| 13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together): | Standalone basis |
| 14. Name of assurance provider: | NIL |
| 15. Type of assurance obtained: | Not Applicable |

II. PRODUCT/SERVICES

16. Details of business activities (accounting for 90% of the turnover):

| Sr. No. | Description of Main Activity | Description of Business Activity | % of Turnover of the entity |
|---------|------------------------------|--|-----------------------------|
| 1 | Manufacturing | Electrical equipment, General Purpose and Special purpose Machinery & equipment, Transport equipment | 54.69% |
| 2 | Manufacturing | Repair & installation of machinery & equipment, motor vehicles | 28.19% |
| 3 | Trading | Retail Trading | 17.12% |

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

| Sr. No. | Product/Service | NIC Code | % of total Turnover contributed |
|---------|---|----------|---------------------------------|
| 1 | Manufacture of domestic electric appliances | 27501 | 13.66% |
| 2 | Manufacture of filtering and purifying machinery or apparatus for liquids and gases | 28195 | 49.63% |
| 3 | Repair and servicing of household appliances | 95221 | 35.83% |

III. OPERATIONS**18. Number of locations where plants and/or operations/offices of the entity are situated:**

| Location | Number of Plants | Number of Offices | Total |
|---------------|------------------|-------------------|-------|
| National | 2 | 141 | 143 |
| International | 0 | 0 | 0 |

19. Markets served by the entity**a. Number of locations**

| Location | Number |
|----------------------------------|--------------------------------------|
| National (No. of States) | 34 (28 States + 6 Union Territories) |
| International (No. of Countries) | 6 |

b. What is the contribution of exports as a percentage of the total turnover of the entity?

0.06%

c. A brief on types of customers

The Company demonstrates a commitment to serving a diverse customer across numerous sectors which includes B2C, schools, retail stores, households, B2B, banks, IT firms, hospitals, SMEs, and hotels. The Company's reach extends to government institutions including railways, armed forces, and various departments through platforms like Government e-markets (GEM). The Company leverages its own website and various e-commerce channels alongside modern retail outlets, and general trade outlets to ensure comprehensive market coverage.

IV. EMPLOYEES**20. Details as at the end of the financial year:****a. Employees and workers (including differently abled):**

| Sr. No. | Particulars | Total (A) | Male | | Female | |
|-----------|--------------------------|-----------|--------|--------|--------|--------|
| | | | No.(B) | %(B/A) | No.(C) | %(C/A) |
| EMPLOYEES | | | | | | |
| 1. | Permanent (D) | 2633 | 2504 | 95 | 129 | 5 |
| 2. | Other than Permanent (E) | 9 | 7 | 78 | 2 | 22 |
| 3. | Total Employees (D+E) | 2642 | 2511 | 95 | 131 | 5 |
| WORKERS | | | | | | |
| 4. | Permanent (F) | 41 | 40 | 98 | 1 | 2 |
| 5. | Other than Permanent (G) | 0 | 0 | 0 | 0 | 0 |
| 6. | Total Workers (F+G) | 41 | 40 | 98 | 1 | 2 |

b. Differently abled Employees and Workers:

| Sr. No. | Particulars | Total (A) | Male | | Female | |
|-----------------------------|--------------------------|-----------|--------|--------|--------|--------|
| | | | No.(B) | %(B/A) | No.(C) | %(C/A) |
| DIFFERENTLY ABLED EMPLOYEES | | | | | | |
| 1. | Permanent (D) | | | | | |
| 2. | Other than Permanent (E) | | | Nil | | |
| 3. | Total Employees (D+E) | | | | | |
| DIFFERENTLY ABLED WORKERS | | | | | | |
| 4. | Permanent (F) | | | | | |
| 5. | Other than Permanent (G) | | | Nil | | |
| 6. | Total Workers (F+G) | | | | | |

21. Participation/Inclusion/Representation of Women:

| | Total (A) | Number and percentage of Females | |
|--------------------------|-----------|----------------------------------|--------|
| | | No.(B) | %(B/A) |
| Board of Directors | 7 | 1 | 14.28% |
| Key Management Personnel | 3 | 1 | 33.33% |

22. Turnover rate for permanent Employees and Workers:

(Disclose trends for the past 3 years)

| | FY 2023-24 | | | FY 2022-23 | | | FY 2021-22 | | |
|---------------------|------------|--------|-------|------------|--------|-------|------------|--------|-------|
| | Male | Female | Total | Male | Female | Total | Male | Female | Total |
| Permanent Employees | 44% | 2% | 42% | 61% | 55% | 61% | 42% | 47% | 42% |
| Permanent Workers | 4.5% | 0% | 4.5% | 5% | 0% | 5% | 10% | 0% | 10% |

V. HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES)**23. a. Names of holding/subsidiary/associate companies/joint ventures**

| S. No. | Name of the holding/subsidiary/associate companies/joint ventures (A) | Indicate whether holding/subsidiary/associate/joint venture | % of shares held by listed entity | Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No) |
|--------|---|---|-----------------------------------|--|
| 1. | Lunolux Limited | Holding | 62.56% | No |
| 2. | Forbes Aquatech Limited | Subsidiary | 88.49% | The Company takes all active measures to include its Subsidiaries in its BR initiatives |
| 3. | Infinite Water Solutions Private Limited | Wholly-owned Subsidiary | 100% | |
| 4. | Euro Forbes Limited, Dubai | Wholly-owned Subsidiary | 100% | |
| 5. | Forbes Lux FZE, Dubai | Step-down Subsidiary | 100% | |

VI. CSR DETAILS**24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)**

Yes

(ii) Turnover (in ₹): ₹ 2,18,922.63 Lakhs**(iii) Net worth (in ₹):** ₹ 4,16,371.22 Lakhs

VII. TRANSPARENCY AND DISCLOSURES COMPLIANCES

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

| Stakeholder group from whom complaint is received | Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redressal policy) | FY 2023-24 | | | FY 2022-23 | | |
|---|---|--|--|--|--|--|---------|
| | | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks |
| Communities | Yes, Link to grievance redressal mechanism is www.eurekaforbes.com/connect-with-us | 0 | 0 | - | 0 | 0 | - |
| Investors (other than shareholders) | Not Applicable as the Company doesn't have any investors other than Equity Shareholders | | | | | | |
| Shareholders | Yes, Link to grievance redressal mechanism is www.eurekaforbes.com/connect-with-us | 6 | 0 | - | 3 | 0 | - |
| Employees and Workers | Yes, Link to grievance redressal mechanism is www.eurekaforbes.com/connect-with-us | 2 | 0 | - | 0 | 0 | - |
| Customers* | Call Centre, WhatsApp, Email, IVR, Website, Customer App www.eurekaforbes.com/connect-with-us | 97 | 82 | Customer concerns are addressed promptly and effectively, ensuring a high level of satisfaction with complaint resolution. | 91 | 77 | - |
| Value Chain Partners | Through interactions, the Company actively collects and resolves value chain partner grievances | 0 | 0 | - | 0 | 0 | - |
| Other (please specify) | - | - | - | - | - | - | - |

*The Customer complaints pertains to Product, Services and Advertising related matters.

26. Overview of the entity's material responsible business conduct issues. Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along with its financial implications, as per the following format:

| S. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk/opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|--------|---------------------------|--|---|--|--|
| 1. | Regulatory/ Compliance | Risk | Covers the risk of noncompliance due to nonadherence to product related guidelines or other regulatory pronouncements. | <ol style="list-style-type: none"> 1. Controls are built in the Product development process to address regulatory requirements 2. An in-house team, backed by access to external experts, enables easy identification of the changes and quick roll-out of capabilities to ensure compliances. | Negative |
| 2. | Market Risk | Risk | Defined as the risk of inability to drive category growth and market share. | <ol style="list-style-type: none"> 1. Significant investments have been made in R&D and Marketing capabilities. 2. Our offerings encompass multiple price points – from entry level to premium. The diverse price points are available for both products and services. 3. We have an innovation roadmap to ensure a steady pipeline of unique innovations. 4. Our omni channel presence including strong Go To Market presence and access to consumer homes. | Negative |
| 3. | Consumer/ Risk Reputation | Risk | Encompasses the risk of poor customer experience and associated reputation risks due to failure to honour service commitments or/and redress customer grievances. | <ol style="list-style-type: none"> 1. Our extensive service network is being fortified with infrastructure upgrade and expansion. 2. Significant digital capability has been and continued to be put in place to give control to customers. 3. Organisational interventions like “Customer Day” and extensive engagement with business partners to further drive mindset of customer experience. | Negative |
| 4. | Supply Chain Risks | Risk | Identified as supply risks caused by unexpected disruptions or geopolitical or other external factor. | <ol style="list-style-type: none"> 1. Supply network is de-risked through a detailed vendor development roadmap. 2. Robust strategic partnerships are in place and are being progressively enhanced. | Negative |

| S. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk/ opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|--------|-----------------------------|--|---|---|--|
| 5. | Information/ Cyber Security | Risk | Covers security related vulnerabilities attributable to external factors such as cyberattack, ransomware, data leaks etc, or business continuity risk due to inadequate disaster recovery controls. | 1. Detailed Disaster recovery process is in place. 2. Several data security measures in areas like customer data, call masking etc put in place. 3. Cybersecurity awareness trainings have been initiated across the organisation. 4. In house capability and access to external experts in place. | Negative |
| 6. | People Risk | Risk | Described as the risks to transformation initiatives due to cultural and other change resistance issues. | 1. Strategy alignment session and cascades done with all employees of the company. 2. First ever ESOP programme covering all managers rolled out. 3. Sustained employee engagement and recognition programmes across levels in place to drive the transformation agenda. 4. New people capabilities have been built and scaled up in areas like R&D, Technology, D2C and Sales organisation. | Negative |

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

| Disclosure Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|--|--|-----|-----|-----|-----|-----|-----|-----|-----|
| Policy and management processes | | | | | | | | | |
| 1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| b. Has the policy been approved by the Board? (Yes/No) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| c. Weblink of the policies, if available | www.eurekaforbes.com/investor-relations/corporategovernance/policies | | | | | | | | |
| 2. Whether the entity has translated the policy into procedures. (Yes/No) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 3. Do the enlisted policies extend to your value chain partners? | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |

| Disclosure Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|--|---|---|---|--|---|----|----|----|
| 4. Name of the national and international codes/certifications/labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle. | 1. GC Mark Certificate (Bengaluru & Dehradun) | 2. IGBC Membership Certificate (Dehradun) | 3. ISO 14001: 2015 (Environment Management System) (Bengaluru & Dehradun) | 4. ISO 9001:2015 (Quality Management System) (Bengaluru & Dehradun) | 5. BIS Certification as per IS 14724:1999 (Dehradun) | 6. IS 16240 Certifications (Bengaluru & Dehradun) | | | |
| 5. Specific commitments, goals and targets set by the entity with defined timelines, if any. | The Company is committed to delivering long-term sustainable value to its stakeholders. While the comprehensive work on setting long-term targets is still in progress, the Company has already initiated early-stage steps to promote sustainable water conservation. For FY 2024-25, the Dehradun plant aims to achieve an additional 10% reduction in groundwater withdrawal. | | | | | | | | |
| 6. Performance of the entity against the specific commitments, goals and targets along with reasons in case the same are not met. | <p>Groundwater Withdrawal: In FY 2023-24, the Dehradun plant achieved a 16% reduction in groundwater withdrawal compared to the previous financial year. This was accomplished through initiatives such as reusing RO reject water for toilet flushing and implementing digital water flow monitoring systems to track consumption.</p> <p>Use of Recycled Water: In FY 2023-24, the Bengaluru plant installed an Effluent Treatment Plant (ETP), enabling the recycling and reuse of water.</p> | | | | | | | | |

Governance, leadership and oversight

7. Statement by Director, responsible for the business responsibility report, highlighting ESG-related challenges, targets, and achievements (listed entity has flexibility regarding the placement of this disclosure)

The Company has long championed sustainable business practices, firmly believing that sustainability and business growth can go hand in hand. The Company's consumer-centric approach has earned it a leading position in the home appliances market. By swiftly adapting to changes in market demand and consumer behaviour, the Company has remained the first choice for customers. Over the past four decades, its commitment to being a true 'Friends for life' has not only been a promise but a reality, as evidenced by its dedication to customer service and consistently high product standards.

As the Company aligns its sustainable practices with global goals, it is accelerating the introduction of environmentally conscious and socially responsible initiatives. These include optimising energy usage across product lifecycles, adopting sustainable packaging, and prioritising local suppliers. Sustainability has become a core principle, integrated into every aspect of the Company's operations. The Company has implemented measures to conserve resources, reduce waste, and enhance energy efficiency, while also promoting responsible sourcing throughout its supply chain. Through these efforts, the Company aims to minimise its environmental footprint and contribute to a more sustainable future.

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).

Name: Mr. Pratik Rashmikan Pota

DIN: 00751178

Designation: Managing Director & CEO

9. Does the entity have a specified Committee of the Board/Director responsible for decision-making on sustainability-related issues? (Yes/No). If yes, provide details.

Yes. The Managing Director & CEO and senior management of the Company oversee various aspects of the Company's social, environmental, governance, and economic responsibilities on a continuous basis

10. Details of review of NGRBCs by the Company:

| Subject for review | Indicate whether review was undertaken by Director/Committee of the Board/Any other Committee | | | | | | | | | Frequency (Annually/Half yearly/Quarterly/Any other-please specify | | | | | | | | |
|--|---|----|----|----|----|----|----|----|----|--|----|----|----|----|----|----|----|----|
| | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
| Performance against above policies and follow-up action | The Board conducts regular policy reviews, making necessary adjustments to policies and processes periodically to meet evolving industry standards. | | | | | | | | | | | | | | | | | |
| Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances | To maintain the highest standards, the Company adheres to all legal requirements for each principle and conducts all statutorily mandated audits. | | | | | | | | | | | | | | | | | |

- | | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|--|----|----|----|----|----|----|----|----|
| 11. Has the entity carried out independent assessment/evaluation of the working of its policies by an external agency? (Yes/No) If yes, provide name of the agency. | The Board conducts internal audits and reviews quarterly for the Board-approved policies. To ensure alignment with best practices and mitigate potential risks, the Company has onboarded external agency to conduct Internal Audits of policies, processes, operations and compliance undergo evaluation. | | | | | | | | |

12. If answer to question (1) above is "No" i.e., not all Principles are covered by a policy, reasons to be stated:

| Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|----------------|----|----|----|----|----|----|----|----|
| The entity does not consider the principles material to its business (Yes/No) | Not Applicable | | | | | | | | |
| The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No) | | | | | | | | | |
| The entity does not have the financial or/human and technical resources available for the task (Yes/No) | | | | | | | | | |
| It is planned to be done in the next financial year (Yes/No) | | | | | | | | | |
| Any other reason (please specify) | | | | | | | | | |

SECTION C: PRINCIPAL-WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1: Business should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year.

| Segment | Total number of training and awareness programmes held | Topics/principles covered under the training and its impact | %age of persons in a respective category covered by the awareness programmes |
|-----------------------------------|--|---|--|
| Board of Directors | 16 | Programmes carried out by the Company includes the following topics and areas: | 100% |
| Key Managerial Personnel | 16 | <ol style="list-style-type: none"> Overall industry in which the Company operates, Company's operations and Strategy and Annual Budget of the Company; Internal Control Systems; CSR strategy framework; Update on various policies; Update on LODR Amendments; Investor Grievances; Risk Management; Internal Audit Plans and findings; Regulatory updates at Board and Audit Committee Meetings; Updates on Prevention of Insider Trading Regulations; Compliances with various applicable laws. | 100% |
| Employees other than BoD and KMPs | 2712 | <ol style="list-style-type: none"> Field Visits /OJTs Soft Skills Induction Products including new innovations for all 3 categories of Water, Vacuum and Air Water Testing Kit New AMC propositions Frontline Sales Training | 60.39% |
| Workers | 16 | <ol style="list-style-type: none"> ISO-Quality Management System ISO-Environmental Management System Behaviour Based Safety Basic Electronics 5'S | |

| Segment | Total number of training and awareness programmes held | Topics/principles covered under the training and its impact | %age of persons in a respective category covered by the awareness programmes |
|---------|--|---|--|
| | | 6. Industrial Safety | 100% |
| | | 7. Measuring Instrument and their uses | |
| | | 8. Rework Analysis | |
| | | 9. Maintenance Management | |
| | | 10. Inventory Management | |
| | | 11. Kaizen and POKE-YOKE | |
| | | 12. Product Ratification | |
| | | 13. Fire Fighting & First Aid | |
| | | 14. First Time Right | |
| | | 15. Customer Handling | |
| | | 16. Team Building | |

2. Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

| Monetary | | | | | |
|-----------------|--|---|-------------------|--|--|
| | NGRBC Principle | Name of the regulatory/ enforcement agencies/ judicial institutions | Amount (In ₹) | Brief of the Case | Has an appeal been preferred? (Yes/No) |
| Penalty/Fine | Refer to the Company's website for all disclosures made under Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 at www.eurekaforbes.com/investor-relations/corporate-announcements | | | | |
| Settlement | | | | | |
| Compounding fee | | | | | |
| Non-Monetary | | | | | |
| | NGRBC Principle | Name of the regulatory/ enforcement agencies/ judicial institutions | Brief of the Case | Has an appeal been preferred? (Yes/No) | |
| Imprisonment | NIL | NIL | NA | NA | |
| Punishment | NIL | NIL | NA | NA | |

3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in case where monetary or non-monetary action has been appealed.

| Case Details | Name of the regulatory/enforcement agencies/judicial institutions |
|--|---|
| Refer to the Company's website for all disclosures made under Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 at www.eurekaforbes.com/investor-relations/corporate-announcements | |

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

The Company ensures that all its policies/practices conform to the National Voluntary Guidelines (NVGs) and the implementation of these are overseen by various Board Committees and Functional Heads. To ensure that there is regular awareness and ease of reference, all the HR policies are hosted on the employee portal of the Company, which ensures seamless communication and transparency. Other statutory policies are hosted on the website of the Company at www.eurekaforbes.com.

The Company has a formalised Code of Conduct and Code of Ethics, along with a well-defined Whistle Blower policy for internal and external stakeholders. This includes a comprehensive structured new e-learning course along with

facilitated sessions, available for all employees on both these policies. All new joiners of the organisation are required to complete this course as a part of their induction. This course has to be undertaken atleast once annually, by all employee to promote ethics, transparency and accountability. For workers, quarterly refresher sessions are conducted by HR teams.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption:

| | FY 2023-24 | FY 2022-23 |
|-----------|------------|------------|
| Directors | NIL | NIL |
| KMPs | NIL | NIL |
| Employees | NIL | NIL |
| Workers | NIL | NIL |

6. Details of complaints with regard to conflict of interest:

| | FY 2023-24 | | FY 2022-23 | |
|--|------------|---------|------------|---------|
| | Number | Remarks | Number | Remarks |
| Number of complaints received in relation to issues of Conflict of Interest of the Directors | NIL | NA | NIL | NA |
| Number of complaints received in relation to issues of Conflict of Interest of the KMPs | NIL | NA | NIL | NA |

7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest.

Not Applicable

8. Number of days of accounts payables [(Accounts payable *365)/Cost of goods/services procured] in the following format:

| | FY 2023-24 | FY 2022-23 |
|------------------------------------|------------|------------|
| Number of days of accounts payable | 90.70 | 101.97 |

9. Openness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along with loans and advances & investments, with related parties, in the following format:

| Parameter | Metrics | FY 2023-24 | FY 2022-23 |
|----------------------------|--|---|------------|
| Concentration of Purchases | a. Purchases from trading houses as % of total purchases | The Company does not engage in any business with Trading Houses | |
| | b. Number of trading houses where purchases are made from | | |
| | c. Purchases from top 10 trading houses as % of total purchases from trading houses | | |
| Concentration of Sales | a. Sales to dealers/distributors as % of total sales | 49.43% | 47.54% |
| | b. Number of dealers/distributors to whom sales are made | 76,102 | 46,166 |
| | c. Sales to top 10 dealers/distributors as % of total sales to dealers/distributors | 15.55% | 12.85% |
| Share of RPTs in | a. Purchases (Purchases with related parties/Total Purchases) | 6.32% | 7.02% |
| | b. Sales (Sales to related parties/Total Sales) | 0.12% | 0.16% |
| | c. Loans & advances (Loans & advances given to related parties/Total loans & advances) | 0% | 0% |
| | d. Investments (Investments in related parties/Total Investments made) | 31.47% | 24.98% |

PRINCIPLE 2: Business should provide goods and services in a manner that is sustainable and safe

Essential Indicators

- Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

| | FY 2023-24 | FY 2022-23 | Details of improvements in environmental and social impacts |
|-------|------------|------------|---|
| R&D | NIL | 2% | - |
| Capex | NIL | 5% | - |

- Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

Yes. Procedures are in place to ensure suppliers adhere to social, and ethical standards throughout the supply chain. The Company seeks Restriction of Hazardous Substances (RoHS) compliance for Printed Circuit Board, where test certificates and self-declarations are taken from suppliers to ascertain RoHS Compliance.

The Company also prioritises the procurement of sustainable material which includes reusable PP boxes for the supply of plastic components as replacement to corrugated boxes which are not reusable, whereas PP boxes can be reused approximately 30 times. Additionally, in one of the new products, the design incorporates a Honeycomb buffer instead of thermocol/EPE Foam Buffer.

- If yes, what percentage of inputs were sourced sustainably?**

~ 20%

- Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for**

- Plastics (including packaging)
- E-waste
- Hazardous waste and
- other waste.

(a) Plastic: The Company has partnered with India's top waste management firms to responsibly manage plastic waste with a goal to foster a circular economy and enabling the use of recycled plastics in packaging. Through this collaboration and obtaining EPR registration for Plastic Waste management, the Company showcases its commitment to environmental stewardship and a greener future.

(b) E-waste: The Company has partnered with electronic asset management firms for E-waste recycling. This ensures environmentally responsible handling of electronics. Additionally, the Company has secured EPR registration for E-Waste management.

(c) Hazardous waste: Effluent Treatment Plants and Sewage Treatment Plants have been installed at both factories in Dehradun and Bengaluru, to remove contaminants from wastewater or sewage. The treated water is collected in storage tanks and reused for gardening. The Company has also identified reliable and renowned partners, who are India's leading waste management and disposal companies, to efficiently manage the hazardous waste generated.

(d) Other waste: The Company has executed an agreement with the government-authorised vendor for the collection and recycling of biomedical waste at both factory locations.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Yes. EPR is applicable to the Company. The EPR plan is accessible through the following link: www.eurekaforbes.com/media/EXTENDED_PRODUCER_RESPONSIBILITY_PLAN_BY_EUREKA.pdf.

PRINCIPLE 3: Business should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. **a. Details of measures for the well-being of employees:**

| Category | % of employees covered by | | | | | | | | | | |
|--------------------------------|---------------------------|------------------|------------|--------------------|------------|--------------------|------------|--------------------|------------|---------------------|------------|
| | Total (A) | Health insurance | | Accident insurance | | Maternity benefits | | Paternity Benefits | | Day Care facilities | |
| | | Number (B) | % (B/A) | Number (C) | % (C/A) | Number (D) | % (D/A) | Number (E) | % (E/A) | Number (F) | % (F/A) |
| Permanent employees | | | | | | | | | | | |
| Male | 2504 | 2504 | 100 | 2504 | 100 | 0 | 0 | 2504 | 100 | 0 | 0 |
| Female | 129 | 129 | 100 | 129 | 100 | 129 | 100 | 0 | 0 | 0 | 0 |
| Total | 2633 | 2633 | 100 | 2633 | 100 | 129 | 4.9 | 2504 | 95.1 | 0 | 0 |
| Other than Permanent employees | | | | | | | | | | | |
| Male | 7 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Female | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 9 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

- b. Details of measures for the well-being of workers:**

| Category | % of workers covered by | | | | | | | | | | |
|------------------------------|-------------------------|------------------|------------|--------------------|------------|--------------------|------------|--------------------|------------|---------------------|------------|
| | Total (A) | Health insurance | | Accident insurance | | Maternity benefits | | Paternity benefits | | Day Care facilities | |
| | | Number (B) | % (B/A) | Number (C) | % (C/A) | Number (D) | % (D/A) | Number (E) | % (E/A) | Number (F) | % (F/A) |
| Permanent workers | | | | | | | | | | | |
| Male | 40 | 40 | 100 | 40 | 100 | 0 | 0 | 40 | 100 | 0 | 0 |
| Female | 1 | 1 | 100 | 1 | 100 | 1 | 100 | 0 | 0 | 0 | 0 |
| Total | 41 | 41 | 100 | 41 | 100 | 1 | 2.44 | 40 | 97.56 | 0 | 0 |
| Other than Permanent workers | | | | | | | | | | | |
| Male | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Female | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

- c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format-**

| | FY 2023-24 | FY 2022-23 |
|---|------------|------------|
| Cost incurred on well-being measures as a % of total revenue of the Company | 0.31% | 0.36% |

Please note, the Company has only considered Staff welfare expenses and health insurance premium for the above.

2. Details of retirement benefits, for Current Financial Year and Previous Financial Year

| Benefits | FY 2023-24 | | | FY 2022-23 | | |
|-------------------------|--|--|--|--|--|--|
| | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) |
| PF | 100 | 100 | Yes | 100 | 100 | Yes |
| Gratuity | 100 | 100 | Yes | 100 | 100 | Yes |
| ESI | 100 | 100 | Yes | 100 | 100 | Yes |
| Others – please specify | NIL | NIL | NIL | NIL | NIL | NIL |

3. Accessibility of workplaces

Are the premises/offices of the entity accessible to differently-abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

The Company recognises the importance of meeting the requirements of the Rights of Persons with Disabilities Act, 2016 and are taking necessary steps to support the needs of individuals with disabilities. The Company does not have any permanent employees with disabilities. The Company believes that accessibility is an essential aspect of social responsibility and are persistent in our efforts to create an inclusive environment for everyone. The Company is implementing appropriate measures to provide its employees with a better, more accessible work environment.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web link to the policy.

The Company maintains a fair and discrimination-free environment for all its employees, job applicants, and workers. Regardless of race, gender, religion or beliefs, disability, age, sexual orientation, gender identity, gender expression, and other factors, every individual is treated with equality and provided with equal opportunities. Discrimination in any form is strictly prohibited under the employee code of conduct. The Company's Code of Ethics and Conduct Policy explicitly incorporates the principle of equal opportunity.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

| Gender | Permanent employees | | Permanent workers | |
|----------------|---------------------|----------------|---------------------|----------------|
| | Return to work rate | Retention rate | Return to work rate | Retention rate |
| Male | 22 | 81% | 0 | 0% |
| Female | 4 | 67% | 0 | 0% |
| Total * | 26 | 74% | 0 | 0% |

* Total Average Retention rate (Male & Female)

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.

| | Yes/No (If Yes, then give details of the mechanism in brief) |
|--------------------------------|--|
| Permanent Workers | The Company is an equal employment opportunity and is committed to creating a healthy working environment. The policies of the organisation strictly prohibit discrimination against any employee or applicant for employment on the grounds of the individual's race, colour, religion, gender, sexual orientation, national origin, age, disability or any other characteristic protected by law. The Company ensures that all employment decisions, involving recruitment, hiring, promotion, training, compensation, benefits, transfer, discipline, and discharge, are all free of unlawful discrimination. |
| Other than Permanent Workers | |
| Permanent Employees | |
| Other than Permanent Employees | |

Yes/No (If Yes, then give details of the mechanism in brief)

To reinforce its commitment to create a healthy work environment that enables employees to work without fear of prejudice, bias or harassment, the Company has put in place a well-defined grievance redressal mechanism. Committees are setup at regional levels and manufacturing units, Employee Assistance Registers (EAR) are maintained in Units, and regular awareness sessions are held to ensure that any complaints or concerns of employees are heard and amicably resolved. These mechanisms are designed to receive and facilitate the resolution of concerns raised by employees and to address complaints, disputes, or grievances brought forward by external stakeholders. It serves as an important channel for individuals to seek redress and ensures that their concerns are handled in a fair and timely manner. By involving various functions and establishing robust mechanisms, the Company strives to create a work environment that respects and safeguards human rights. The Company is committed to addressing any human rights issues that may arise and continuously improving practices to uphold the well-being and dignity of all individuals impacted by the Company's operations.

7. Membership of employees and workers in association(s) or Unions recognised by the listed entity:

| Category | FY 2023-24 | | | FY 2022-23 | | |
|---------------------------|--|--|---------|--|--|---------|
| | Total employees/workers in respective category (A) | No. of employees/workers in respective category, who are part of association(s) or Union (B) | % (B/A) | Total employees/workers in respective category (C) | No. of employees/workers in respective category, who are part of association(s) or Union (D) | % (D/C) |
| Total Permanent Employees | 2633 | 0 | 0 | 2884 | 0 | 0 |
| Male | 2504 | 0 | 0 | 2750 | 0 | 0 |
| Female | 129 | 0 | 0 | 134 | 0 | 0 |
| Total Permanent Workers | 41 | 0 | 0 | 18 | 0 | 0 |
| Male | 40 | 0 | 0 | 18 | 0 | 0 |
| Female | 1 | 0 | 0 | 0 | 0 | 0 |

8. Details of training given to employees and workers:

| Category | FY 2023-24 | | | | | FY 2022-23 | | | | |
|-----------|--------------|----------------------------------|------------|-------------------------|------------|--------------|----------------------------------|------------|-------------------------|------------|
| | Total (A) | On Health and safety measures | | On Skill upgradation | | Total (D) | On Health and safety measures | | On Skill upgradation | |
| | | No. (B) | % (B/A) | No. (C) | % (C/A) | | No. (E) | % (E/D) | No. (F) | % (F/D) |
| Employees | | | | | | | | | | |
| Male | 2504 | 252 | 10 | 1165 | 46 | 2750 | 0 | 0 | 47 | 2 |
| Female | 129 | 9 | 7 | 92 | 71 | 134 | 0 | 0 | 2 | 2 |
| Total | 2633 | 261 | 10 | 1257 | 47 | 2884 | 0 | 0 | 49 | 2 |
| Workers | | | | | | | | | | |
| Male | 40 | 3 | 7.5 | 11 | 27.5 | 18 | 6 | 33.33 | 13 | 72.22 |
| Female | 1 | 1 | 100 | 1 | 100 | 0 | 0 | 0 | 0 | 0 |
| Total | 41 | 4 | 9.76 | 12 | 29.27 | 18 | 6 | 33.33 | 13 | 72.22 |

The Company is committed to ensuring that all its existing employees, and workers get the necessary inputs on health and safety measures, as well as skill upgradation.

9. Details of performance and career development reviews of employees and workers:

| Category | FY 2023-24 | | | FY 2022-23 | | |
|------------------|------------|---------|---------|------------|---------|---------|
| | Total (A) | No. (B) | % (B/A) | Total (C) | No. (D) | % (D/C) |
| Employees | | | | | | |
| Male | 2504 | 1484 | 59 | 2750 | 1740 | 63 |
| Female | 129 | 119 | 92 | 134 | 80 | 60 |
| Total | 2633 | 1603 | 61 | 2884 | 1820 | 63 |
| Workers | | | | | | |
| Male | 40 | 40 | 100 | 18 | 0 | 0 |
| Female | 1 | 1 | 100 | 0 | 0 | 0 |
| Total | 41 | 41 | 100 | 18 | 0 | 0 |

10. Health and safety management system:

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, the coverage of such a system?**

The Company is currently in the process of obtaining the ISO 45001:2018 certification and is in the process of implementing the same.

- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

The Company conducts monthly assessments for routine job tasks, including:

1. Gemba Walk evaluations.
2. Reviews from internal and external audits.
3. Near Miss Reporting for both employees and visitors.
4. Quarterly monitoring of work zones for illumination and noise levels.

For non-routine tasks, the Company employs a Work Permit System (WPS) to guarantee appropriate authorisation and safety protocols are followed.

- c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)**

Yes. The Company has established a robust set of procedures aimed at effectively addressing work-related hazards. These procedures enable workers to report any potential risks or unsafe conditions they may encounter while performing their tasks.

- d. Do the employees/workers of the entity have access to non-occupational medical and healthcare services? (Yes/No)**

Yes. The Company ensures that its employees have access to non-occupational medical and healthcare services, and all employees are covered under healthcare insurance. The Company has also established Occupational Health Centres (OHC) and has signed agreements with hospitals at both locations to provide on-demand ambulance services and doctor visits.

11. Details of safety-related incidents, in the following format:

| Safety Incident/Number | Category | FY 2023-24 | FY 2022-23 |
|---|-----------|------------|------------|
| Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) | Employees | 0 | 0 |
| | Workers | 0 | 0 |
| Total recordable work-related injuries | Employees | 0 | 0 |
| | Workers | 0 | 0 |
| No. of fatalities | Employees | 0 | 0 |
| | Workers | 0 | 0 |
| High consequence work-related injury or ill-health (excluding fatalities) | Employees | 0 | 0 |
| | Workers | 0 | 0 |

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

The Company prioritises the safety and well-being of its employees and workers, by implementing proactive measures to maintain a secure workplace. This includes an in-house trained Emergency Response Team and safety induction for all new joiners. The Company periodically provides health & safety training to ensure employees are well-prepared to handle potential hazards effectively.

13. Number of Complaints on the following made by employees and workers:

| | FY 2023-24 | | | FY 2022-23 | | |
|--------------------|-----------------------|---------------------------------------|---------|-----------------------|---------------------------------------|---------|
| | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| Working Conditions | 0 | 0 | - | 0 | 0 | - |
| Health & Safety | 0 | 0 | - | 0 | 0 | - |

14. Assessment for the year:

| | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|-----------------------------|---|
| Health and Safety Practices | 100%. Annual audits are conducted at the factory locations through external audit partners for overall plant operations which covers safety and security aspects too. For offices, half yearly audits on the basic working conditions (fire and safety etc.) are done along with the other parameters, and necessary action planning is managed by the local F&A, HR and admin teams. These Audit are conducted by external auditors. |
| Working Conditions | |

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions.

During the reporting year, identified observations and unsafe conditions have been addressed and resolved by the factory management team. No significant risks/concerns were identified during the assessment. In furtherance, the audit observations are converted into risk mitigation plans, and specific action is taken to address the potential hazards.

PRINCIPLE 4: Business should respect the interests of and be responsive to all its stakeholders**Essential Indicators****1. Describe the processes for identifying key stakeholder groups of the entity.**

The Company prioritises strong relationships with its internal and external stakeholders, recognising their influence on organisational decisions and activities. The Company builds trust through strong relationships entrusted in brand reputation. A comprehensive stakeholder mapping exercise approach has been conducted to strengthen the Company's strategic decision-making, ensuring its business propositions to create long-term value for all stakeholders. As outlined in Principle 4, Question 2, the Company has established effective communication channels to foster open dialogue with each stakeholder group. List of identified key stakeholders such as:

- a. Employees
- b. Local Community
- c. Supplier/Vendor
- d. Shareholders/Investors
- e. Customers
- f. Regulatory Bodies
- g. Trade Partners

This exercise allows the Company to understand and prioritise the needs, interests, and concerns of each stakeholder group, enabling effective engagement and fostering mutually beneficial relationships.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

| Stakeholder Group | Whether identified as Vulnerable & Marginalised Group (Yes/No)* | Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other | Frequency of engagement (Annually/Half yearly/Quarterly/ others – please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement |
|-------------------------|---|---|---|---|
| Employees | No | <ol style="list-style-type: none"> 1. SMARTs (national and regional) 2. Monthly regional townhalls; Quarterly central townhall (led by ExCom) 3. Regular communication from Corp Com and HR on key updates 4. Engagement activities (sports, celebrations, etc.) – annual engagement calendar published | Regularly | To enhance the employee growth, well-being and safety |
| Local Communities/ NGOs | Yes | <ol style="list-style-type: none"> 1. Setting up of water purifiers in 10 municipal schools of Satara 2. Conducting water tests every 6 months to check on water quality in the schools 3. Conduct WASH sessions to create awareness about safe drinking water and overall hygiene | Regularly | Local communities are important for building & sustaining Company's reputation; NGOs play a role in influencing policy makers, such as local governments and planners & can also act as intermediaries in various stakeholder groups |
| Suppliers/ Vendors | No | In-person meetings, vendor visits or visits to vendor's facility/office, engagement at leadership level | Continuous | EFL deals with large number of vendors for supply of its components and finish goods. Engagement with vendors is important to ensure continuity in supply and collaboration on future needs. |
| Shareholders/ Investors | No | Quarterly earnings Calls, Investors Meet, Annual General Meeting, Company Website, Press Releases and Other Statutory Disclosures. | Quarterly, Annually | Shareholders contribute to the Company's robust financial position enhancing its stability and strength. The engagement and support of shareholders are vital, as they contribute to the Company's reputation and market credibility. |
| Customers | No | Employee Visits, CRM activities, NPS surveys, Website | Continuous | Sustainability and Predictability of the Company's revenues and growth chart |

| Stakeholder Group | Whether identified as Vulnerable & Marginalised Group (Yes/No)* | Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other | Frequency of engagement (Annually/Half yearly/Quarterly/ others – please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement |
|---|---|--|---|--|
| Regulatory bodies | No | Transparent communication through statutory disclosures | Continuous | Through their enforcement actions, regulatory bodies promote transparency and accountability, which are essential for the Company's long-term success and stakeholder trust. |
| Trade Partners – FBPs (Franchise Business Partners), FDOs (Franchise Direct Operations) and SSDs (Sales & Service Distributors) | No | ERP & DMS – Primary & Secondary Sales Order Processing & Data Archiving JOS (Joy of selling) Proprietary App – Lead management system; Manpower active count, demo trends & sales productivity management. Partner Circle Head – Company SPOC responsible for individual Partner Performance Management. | Daily/Weekly | Strategic partnerships to drive market penetration & expansion in areas where, either there is no CRC (company owned & operated “Customer Response Centres”) or key cities/markets |

* While we have marked “No” above as these stakeholders are not vulnerable and marginalised in entirety, however, we are consciously involved in uplifting the vulnerable and marginalised segments for the above stakeholders. For example, we have incorporated India's first call centre manned and operated by people with special needs, operating from NASEOH (National Society for Equal Opportunities for the Handicapped) at Chembur, a Mumbai suburb.

PRINCIPLE 5: Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

| Category | FY 2023-24 | | | FY 2022-23 | | |
|----------------------|------------|--------------------------------------|---------|------------|--------------------------------------|---------|
| | Total (A) | No. of employees/workers covered (B) | % (B/A) | Total (C) | No. of employees/workers covered (D) | % (D/C) |
| Employees | | | | | | |
| Permanent | 2633 | 158 | 6 | 2884 | 1232 | 42.7 |
| Other than permanent | 9 | 0 | 0 | 26 | 0 | 0 |
| Total Employees | 2642 | 158 | 6 | 2910 | 1232 | 42.33 |
| Workers | | | | | | |
| Permanent | 41 | 41 | 100 | 18 | 18 | 100 |
| Other than permanent | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Workers | 41 | 41 | 100 | 18 | 18 | 100 |

2. Details of minimum wages paid to employees and workers, in the following format:

| Category | FY 2023-24 | | | | | FY 2022-23 | | | | |
|-------------------------|--------------|--------------------------|------------|---------------------------|------------|--------------|--------------------------|------------|---------------------------|------------|
| | Total (A) | Equal to Minimum Wage | | More than Minimum Wage | | Total (D) | Equal to Minimum Wage | | More than Minimum Wage | |
| | | No. (B) | % (B/A) | No. (C) | % (C/A) | | No. (E) | % (E/D) | No. (F) | % (F/D) |
| Employees | | | | | | | | | | |
| Permanent | 2633 | 214 | 8 | 2419 | 92 | 2884 | 557 | 19 | 2327 | 81 |
| Male | 2504 | 204 | 8 | 2300 | 92 | 2750 | 521 | 19 | 2229 | 81 |
| Female | 129 | 10 | 8 | 119 | 92 | 134 | 36 | 27 | 98 | 73 |
| Other than Permanent | 9 | 0 | 0 | 9 | 100 | 26 | 0 | 0 | 26 | 100 |
| Male | 7 | 0 | 0 | 7 | 100 | 23 | 0 | 0 | 23 | 100 |
| Female | 2 | 0 | 0 | 2 | 100 | 3 | 0 | 0 | 3 | 100 |
| Workers | | | | | | | | | | |
| Permanent | 41 | 39 | 95 | 2 | 5 | 18 | 18 | 100 | 0 | 0 |
| Male | 41 | 38 | 95 | 2 | 5 | 18 | 18 | 100 | 0 | 0 |
| Female | 1 | 1 | 100 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other than Permanent | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Male | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Female | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

3. Details of remuneration/salary/wages, in the following format:

a. Median remuneration/wage

| | Male | | Female | |
|----------------------------------|--------|--|--------|--|
| | Number | Median remuneration/ salary/wages of respective category | Number | Median remuneration/ salary/wages of respective category |
| Board of Directors (BoD) | 6 | 29,15,000 | 1 | 29,10,000 |
| Key Managerial Personnel | 2 | 5,77,64,658 | 1 | 95,00,016 |
| Employees other than BoD and KMP | 2502 | 4,29,000 | 128 | 5,97,000 |
| Workers | 40 | 2,66,748 | 1 | 2,66,748 |

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

| | FY 2023-24 | FY 2022-23 |
|---|------------|------------|
| Gross wages paid to females as % of total wages | 7.42% | 5.40% |

4. Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

The Company has a code of conduct and the HR department is responsible for addressing any human rights impacts or issues caused or contributed to by the business and the Company also has a whistleblower mechanism in place for Employee (past or present), Director, Business Partner, Distributor, Customer or Vendor.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

To maintain a safe and productive workplace, the Company has adopted a POSH policy and a whistle-blower policy. Detailed response on the same is shared in P5-Q8.

The Company has zero tolerance for human rights violations. Human rights is one of the Company's key focus areas. Any human rights violation, wherever reported, shall be investigated by the Management following the code of conduct policy of the Company.

6. Number of Complaints on the following made by employees and workers:

| | FY 2023-24 | | | FY 2022-23 | | |
|-----------------------------------|-----------------------|---------------------------------------|--|-----------------------|---------------------------------------|---------|
| | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| Sexual Harassment | 1 | NIL | Following a thorough investigation, the accused employee was terminated from their position. | Nil | Nil | Nil |
| Discrimination at workplace | 1 | NIL | - | Nil | Nil | Nil |
| Child Labour | NIL | NIL | - | Nil | Nil | Nil |
| Forced Labour/ Involuntary Labour | NIL | NIL | - | Nil | Nil | Nil |
| Wages | NIL | NIL | - | Nil | Nil | Nil |
| Other human rights related issues | NIL | NIL | - | Nil | Nil | Nil |

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

| | FY 2023-24 | FY 2022-23 |
|---|------------|------------|
| Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH) | 1 | NIL |
| Complaints on POSH as a % of female employees/workers | 0.77% | |
| Complaints on POSH upheld | 1 | |

8. Mechanisms to prevent adverse consequences to the complaint in discrimination and harassment cases.

The Company has a strict adherence to policy on discrimination & harassment and investigations are strictly confidential to prevent any disadvantage to the complainant or the witnesses. In line with POSH policy implemented across the organisation, all necessary steps are taken to safeguard individuals who raise complaints against victimisation or retaliation. The Company recognises the importance of providing a safe environment for employees to come forward and address their concerns without fear of negative consequences. The POSH programme (available on the LMS) is a mandatory compliance course for all employees to undertake at least once a year. To effectively address both sexual and non-sexual harassment, The Company has established Internal Complaints Committee (ICC) both at the regional and corporate locations. The Committee comprises a diverse group of internal and external members with relevant backgrounds, with well-defined criteria for handling sexual harassment cases. To ensure awareness and sensitivity towards these issues, sensitisation and training programmes to all employees are provided on regular basis. These initiatives are coordinated by the Human Resources department and other relevant functions to ensure comprehensive coverage across the Company.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

No. However, the Company strongly believes that suppliers and vendors are an integral part of its business and contribute to its growth and viability. Thus regular engagement activities are organised with suppliers and vendors.

10. Assessment for the year:

| | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|-----------------------------|--|
| Child labour | |
| Forced/involuntary labour | |
| Sexual harassment | |
| Discrimination at workplace | None |
| Wages | |
| Others-please specify | |

11. Provide details of any corrective actions taken or underway to address significant risks/concerning arising from the assessments at Question 10 above.

Not Applicable. However, the Company maintains full compliance with applicable labour laws, including those concerning wages, the Prevention of Sexual Harassment (POSH), and the prohibition of forced or involuntary labour. During the year, the Company did not receive any complaints related to forced or involuntary labour, discrimination, or child labour.

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment**Essential Indicators****1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

| Parameter | Unit | FY 2023-24 | FY 2022-23 |
|---|------------------------|------------|------------|
| From renewable sources | | | |
| Total electricity consumption (A) | GJ | 0 | 0 |
| Total fuel consumption (B) | GJ | 0 | 0 |
| Energy consumption through other sources (C) | | 0 | 0 |
| Total energy consumed from renewable sources (A+B+C) | GJ | 0 | 0 |
| From non-renewable sources | | | |
| Total electricity consumption (D) | GJ | 2508.44 | 2775.597 |
| Total fuel consumption (E) | GJ | 70.318 | 124.757 |
| Energy consumption through other sources (F) | GJ | 0 | 0 |
| Total energy consumed from non-renewable sources (D+E+F) | GJ | 2578.758 | 2900.355 |
| Total energy consumed (A+B+C+D+E+F) | GJ | 2578.758 | 2900.355 |
| Energy intensity per rupee of turnover (Total energy consumption/turnover in million rupees) | GJ/million rupees | 0.12 | 0.14 |
| Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed/Revenue from operations adjusted for PPP) | GJ/INR adjusted to PPP | 2.38 | 2.82 |
| Energy intensity in terms of physical output | - | NA | NA |
| Energy intensity (optional) - the relevant metric may be selected by the entity | - | NA | NA |

The above details pertain to manufacturing plants located at Dehradun and Bengaluru.

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: No

2. Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

The Company does not currently have any sites or facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India.

3. Provide details of the following disclosures related to water, in the following format:

| Parameter | FY 2023-24 | FY 2022-23 |
|--|------------|------------|
| Water withdrawal by source (in kilolitres) | | |
| (i) Surface Water | 0 | 0 |
| (ii) Ground Water | 11175 | 13314 |
| (iii) Third Party Water | 9833 | 7541 |
| (iv) Seawater/Desalinated Water | 0 | 0 |
| (v) Others | 0 | 0 |
| Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v) | 21008 | 20855 |
| Total volume of water consumption (in kilolitres) | 20827 | 20855 |
| Water intensity per rupee of turnover (Total Water consumption/ Revenue from operations) | 0.95 | 1.00 |
| Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption/Revenue from operations adjusted for PPP) | 19.24 | 20.27 |
| Water intensity in terms of physical output | NA | NA |
| Water intensity (optional) – the relevant metric may be selected by the entity | NA | NA |

The above details pertain to manufacturing plants located at Dehradun and Bengaluru.

There is a small gap between Total water consumption and Total water withdrawal because of water evaporation loss during treatment. The Company still remains Zero Liquid Discharge (ZLD).

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external external agency: No

4. Provide the following details related to water discharged:

| Parameter | FY 2023-24 | FY 2022-23 |
|---|------------|------------|
| Water discharge by destination and level of treatment (in kilolitres) | | |
| i) To surface water | | |
| - No treatment | | |
| - With treatment-please specify level of treatment | | |
| ii) To Groundwater | | |
| - No treatment | | |
| - With treatment-please specify level of treatment | | |
| iii) To Seawater | | |
| - No treatment | | |
| - With treatment-please specify level of treatment | | |
| iv) Sent to third-parties | | |
| - No treatment | | |
| - With treatment-please specify level of treatment | | |
| v) Others | | |
| - No treatment | | |
| - With treatment-please specify level of treatment – (Tertiary or Advanced Treatment with the help of ETP & STP at both the plants) | | |
| Total water discharge (in kilolitres) | | |

Nil

The above details pertain to manufacturing plants located at Dehradun and Bengaluru.

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: No

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes, the Company has a Zero Liquid Discharge mechanism in place at both factory locations. The Company has installed Sewage and Effluent Treatment plants, and the treated water is recycled/reused within the complex for gardening, flushing, etc. The Company adheres to all the necessary applicable guidelines and directions for maintaining the standards of STP and ETP as required by CPCB and SPCBs.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

| Parameter | Please specify unit | FY 2023-24 | FY 2022-23 |
|------------------------------------|---------------------|------------|------------|
| NOx | Kgs | 15.8 | 20.14 |
| SOx | Kgs | 7.6 | 9.45 |
| Particulate matter (PM) | Kgs | 15.8 | 35.58 |
| Persistent organic compounds (POP) | - | 0 | 0 |
| Volatile organic compounds (VOC) | - | 0 | 0 |
| Hazardous air pollutants (HAP) | - | 0 | 0 |

The above details pertain to manufacturing plants located at Dehradun and Bengaluru.

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: No

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

| Parameter | Unit | FY 2023-24 | FY 2022-23 |
|---|---|--|------------|
| Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available) | Metric tonnes of CO ₂ equivalent | Emission data for FY 2023-24 will be provided in next reporting cycle. | 109 |
| Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available) | Metric tonnes of CO ₂ equivalent | | 832 |
| Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations) | | NA | 0.05 |
| Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations adjusted for PPP) | | NA | 0.91 |
| Total Scope 1 and Scope 2 emission intensity in terms of physical output | | NA | NA |
| Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity | | NA | NA |

The above details pertain to manufacturing plants located at Dehradun and Bengaluru.

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: No

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

The Company has replaced the refrigerant in air conditioners, moving from R-22 to the R-32 refrigerant. This switch has resulted in a decrease in ODP and CO₂ emissions.

9. Provide details related to waste management by the entity, in the following format:

| Parameter | FY 2023-24 | FY 2022-23 |
|--|---------------|---------------|
| Total Waste generated (in metric tonnes) | | |
| Plastic waste (A) | 32.01 | 45.58 |
| E-waste (B) | 0 | 0 |
| Bio-medical waste (C) | 0.02 | |
| Construction and demolition waste (D) | 0 | 0 |
| Battery waste (E) | 0 | 0 |
| Radioactive waste (F) | 0 | 0 |
| Other Hazardous waste. Please specify, if any. (G) | 252.85 | 47.00 |
| Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector) | 613.97 | 494.02 |
| Total (A + B + C + D + E + F + G + H) | 898.85 | 586.60 |
| Waste intensity per rupee of turnover (Total waste generated/Revenue from operations) (tonnes/Million ₹) | 0.04 | 0.03 |
| Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated/Revenue from operations adjusted for PPP) | 0.83 | 0.57 |
| Waste intensity in terms of physical output | NA | NA |
| Waste intensity (optional) – the relevant metric may be selected by the entity | NA | NA |
| For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes) | | |
| Category of waste | | |
| i) Recycled | 898.85 | 586.60 |
| ii) Re-used | 0 | 0 |
| iii) Other recovery operations | 0 | 0 |
| Total | 898.85 | 586.60 |
| For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes) | | |
| Category of waste | | |
| i) Incineration | 0 | 0 |
| ii) Landfilling | 0 | 0 |
| iii) Other disposal operations | 0 | 0 |
| Total | 0 | 0 |

The above details pertain to manufacturing plants located at Dehradun and Bengaluru.

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The Company has well-defined waste management systems in place to manage operational waste efficiently and ensure responsible waste management practices. The Company enhances the circular economy for plastic packaging by fulfilling its Extended Producer Responsibility (EPR) guidelines. This is achieved through the annual collection and recycling of an equivalent amount of plastic used in packaging, in collaboration with authorised recyclers and adhering to India's Plastic Waste Management Rules 2016. While hazardous waste generation is minimal compared to non-hazardous waste, the Company has reliable systems in place for its safe collection, transportation, and disposal through authorised government vendors. Additionally, the Company ensures the responsible management of e-waste in compliance with the E-Waste (Management) Rules, 2016. This underscores the Company's commitment to responsible waste management and environmentally conscious practices.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required, please specify details in the following format:

| Sr. no. | Location of operations/offices | Type of operations | Whether the conditions of environmental approval/clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any. |
|---------|--|--|--|
| 1 | Eureka Forbes Limited, Lal Tappar Industrial Area, Majri Grant, Dehradun Haridwar Highway - Dehradun, Uttarakhand - 248140 | Assembling Unit of Water Filter cum Purifier & Water Cooler Cum Purifier | Yes, the Company has obtained Environmental Clearance from the Ministry of Environment, Forest, and Climate Change. |

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

| Name and brief details of project | EIA Notification No. | Date | Whether conducted by independent external agency (Yes/No) | Results communicated in public domain (Yes/No) | Relevant Web link |
|-----------------------------------|----------------------|------|---|--|-------------------|
| NA | NA | NA | NA | NA | NA |

13. Is the entity compliant with the applicable environmental law/regulations/guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

The Company is complying with emission norms, filing timely returns, and submitting periodic reports to CPCB and SPCB as per statutory requirements. Additionally, the Company has identified potential environmental risks and compiled an impact and risk assessment list, available at the manufacturing plants in Dehradun and Bengaluru.

| S. No. | Specify the law/regulation/guidelines which was not complied with | Provide details of the non-compliance | Any fines/penalties/action taken by regulatory agencies such as pollution control boards or by courts | Corrective action taken, if any |
|----------------|---|---------------------------------------|---|---------------------------------|
| Not Applicable | | | | |

PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/associations.

The Company is affiliated with 9 trade and industry associations/chambers.

- b. List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of/affiliated to.

| Sr No. | Name of the trade and industry chambers/associations | Reach of trade and industry chambers/associations (State/National) |
|--------|--|--|
| 1 | International Market Assessment India Private Ltd. (IMA) | National |
| 2 | Confederation of Indian Industry (CII) | National |
| 3 | Associated Chambers of Commerce and Industry of India (ASSOCHAM) | National |
| 4 | Federation of Indian Chambers of Commerce and Industry (FICCI) | National |
| 5 | Bombay Chambers of Commerce and Industry | National |
| 6 | Water Quality India Association (WQAI) | National |
| 7 | IMC Chamber of Commerce and Industry | National |
| 8 | The Advertising Standards Council of India | National |
| 9 | Retailers Association of India (RAI) | National |

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

| Name of authority | Brief of the case | Corrective action taken |
|-------------------|-------------------|-------------------------|
| NIL | NIL | NIL |

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year

| Name and brief details of project | SIA Notification No. | Date of notification | Whether conducted by independent external agency (Yes/No) | Results communicated in public domain (Yes/No) | Relevant Web link |
|-----------------------------------|----------------------|----------------------|---|--|-------------------|
| Not Applicable | | | | | |

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

| S. No. | Name of Project for which R&R is ongoing | State | District | No. of Project Affected Families (PAFs) | % of PAFs covered by R&R | Amounts paid to PAFs in FY (In ₹) |
|----------------|--|-------|----------|---|--------------------------|-----------------------------------|
| Not Applicable | | | | | | |

3. Describe the mechanisms to receive and redress grievances of the community.

The Company actively participates in community programmes designed to build strong relationships. By maintaining regular interactions and attentively listening, the Company strives to understand and address community concerns. Prompt and effective actions are prioritised, underscoring the Company's dedication to fostering community well-being.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

| | FY 2023-24 | FY 2022-23 |
|--|------------|------------|
| Directly sourced from MSMEs/small producers* | 62% | 56% |
| Directly from within India** | 62% | 56% |

*Sourcing from Factory

**Sourcing from within 250 Km of Factory

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/on contract basis) in the following locations, as % of total wage cost

| Location | FY 2023-24 | FY 2022-23 |
|--------------|------------|------------|
| Rural | 1.39% | - |
| Semi-urban | 4.59% | - |
| Urban | 4.28% | - |
| Metropolitan | 89.74% | - |

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner

Essential indicator

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The Company has a robust system to manage customer complaints and feedback efficiently. Customers can reach out through multiple communication channels, including the Call Centre, WhatsApp, Email, IVR, and the official website. Additional contact details are accessible on the Company's website at www.eurekaforbes.com/contactus. The Company has an Escalation Management Team (EMT) at both the head office and strategic locations, which is fully operational. Concerning escalation reporting hierarchy, dedicated Service Heads at every region with a team of strong on-ground service leaders ensure prompt and satisfactory issue resolution.

2. Turnover of products and/services as a percentage of turnover from all products/services that carry information about:

| | As a percentage to total turnover |
|---|-----------------------------------|
| Environmental and social parameters relevant to the product | 100% |
| Safe and responsible usage | 100% |
| Recycling and/or safe disposal | 30% |

3. Number of consumer complaints in respect of the following:

| | FY 2023-24 | | Remarks | FY 2022-23 | | Remarks |
|--------------------------------|--------------------------|-----------------------------------|--|--------------------------|-----------------------------------|---------|
| | Received during the year | Pending resolution at end of year | | Received during the year | Pending resolution at end of year | |
| Data privacy | 0 | 0 | | 0 | 0 | |
| Advertising | 2 | 0 | Consumer complaints received via the Advertising Standards Council of India have been successfully resolved. | 0 | 0 | - |
| Cyber-security | 0 | 0 | - | 0 | 0 | - |
| Delivery of essential services | 0 | 0 | - | 0 | 0 | - |
| Restrictive Trade Practices | 0 | 0 | - | 0 | 0 | - |
| Unfair Trade Practices | 0 | 0 | - | 0 | 0 | - |
| Other* | 95 | 82 | - | 91 | 77 | - |

* The Complaints pertain to product and service related matter.

4. Details of instances of product recalls on account of safety issues:

| | Number | Reasons for recall |
|-------------------|--------|--------------------|
| Voluntary recalls | 0 | NA |
| Forced recalls | 0 | NA |

5. Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web link of the policy.

The Company adheres to the standards and requirements mandated for cybersecurity and data privacy issues. The Company has an Information Security Policy that applies to EFL Group employees, external/third-party personnel (i.e., vendors, third-party resources, consultants, interns, contractors) employed with EFL Group companies, and clients/customers visiting EFL Group Companies' offices who engage in work and have access to EFL Group Companies' information or information processing facilities. The policy is reviewed annually. The Company also has a privacy policy in place to address the issues of data privacy of customers. The link for the Company's Privacy Policy is available on the website at www.eurekaforbes.com/privacy-policy.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.

Not Applicable

7. Provide the following information relating to data breaches:

- a. **Number of instances of data breaches:** None
- b. **Percentage of data breaches involving personally identifiable information of customers:** None
- c. **Impact, if any, of the data breaches:** Not Applicable

Annexure – 8

To,
The Board of Directors
EUREKA FORBES LIMITED

Sub.: Compliance Certificate for the Financial Year ended March 31, 2024 – Regulation 17(8) read with Part B of Schedule II of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR”)

In compliance with Regulation 17(8) read with Part B of Schedule II of SEBI LORD, it is certified that:

- A. We have reviewed Financial Statements and the Cash Flow Statement for the Financial Year ended March 31, 2024 and that to the best of our knowledge and belief:
- a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b. these statements together present a true and fair view of the Company’s affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company’s code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee:
- a. significant changes in internal control over financial reporting during the year;
 - b. there are no significant changes in accounting policies during the year; and
 - c. there were no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company’s internal control system over financial reporting.

Thanking you

For **Eureka Forbes Limited**

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 March 31, 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material 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, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, 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

(SAs) specified under section 143(10) of the Act. 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

| Key Audit Matter | Auditor's Response |
|---|---|
| Impairment of Intangible assets (Brand Name / Trademarks) with indefinite life and Goodwill impairment | Principal audit procedures: |
| The standalone balance sheet of the Company as on March 31, 2024 comprises of Rs. 291,119.26 lakhs of intangible assets with indefinite life and Rs. 205,581.67 lakhs of goodwill, pertaining to acquisition of a business in the earlier years, which in aggregate represents 82% of the total assets of the Company. | <ul style="list-style-type: none">We obtained understanding of the process followed by the Company in respect of the assessment of impairment of Intangible assets (Brand Name / Trademarks) with indefinite life and Goodwill. |
| The recoverable value of the intangible assets with indefinite life and goodwill which is based on the value in use model, has been derived using the discounted cash flow (DCF) method. This method requires the Company to make significant assumptions such as discount rate, near and long-term revenue growth rate and projected margins which involves inherent uncertainty since they are based on future business prospects and economic outlook. | <ul style="list-style-type: none">Evaluated Company's accounting policy in respect of impairment assessment of Intangibles with indefinite life and goodwill.Evaluated the design and implementation and testing the operating effectiveness of key internal controls related to the Company's process relating to the impairment analysis, key assumptions and review of the valuation methodology.Assessed the professional competence, objectivity and expertise of those involved in performing the valuation exercise for the Company. |

Key Audit Matter

Due to the materiality of above assets in the context of the standalone financial statements and judgements applied in determining the recoverable value, we have considered assessment of impairment of Intangible assets (Brand Name / Trademarks) with indefinite life and Goodwill to be a key audit matter.

Refer Note 5 and 33S to the Ind AS financial statements.

Auditor's Response

- Obtained understanding of the cash flow projections and assumptions used in the DCF model.
- Tested the appropriateness of the input data considered for the purposes of valuation by reconciling the projected cash flows with the underlying business plan and related details.
- Involved the internal valuation professionals with specialized skills and knowledge to assist in evaluating the impairment model used, evaluating the mathematical accuracy and assumptions (including discount rate and growth rate applied by the Company) and applying additional sensitivities to assess the reasonableness of the above key assumptions.
- Performed a sensitivity analysis to evaluate the impact of change in key assumptions individually or collectively to the recoverable value.
- Evaluated the adequacy of the Company's disclosures in the standalone financial statements in respect of its impairment testing.

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 Management Discussion and Analysis and Board's report including annexures to Board's report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon. The aforesaid other information is expected to be made available to us after the date of this auditor's report.
- Our opinion on the standalone financial statements does not cover the other information and we do not and will 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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

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

In preparing the standalone financial statements, management and Board of Directors 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 the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's 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 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 with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 financial controls that we identify during our audit.

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

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

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, except for not complying with the requirement of audit trail as stated in paragraph (i)(vi) below.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows 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 Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31,

2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

- f) The modification relating to the maintenance of accounts and other matters connected therewith, is as stated in paragraph (b) above.
- g) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/ provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. Refer Note 33A(a) to the standalone financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the note 33E to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded

in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the note 33F to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v. The company has not declared or paid any dividend during the year and has not proposed final dividend for the year.
- vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that audit trail was not enabled at the database level to log any direct data changes.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure 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. 049660
(UDIN: 24049660BKFRB3964)

Place: Mumbai
Date: May 28, 2024

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(g) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 (“THE ACT”)

We have audited the internal financial controls with reference to standalone financial statements of Eureka Forbes Limited (“the Company”) as at March 31, 2024 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 with reference to standalone financial statements based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR’S RESPONSIBILITY

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to standalone financial statements 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 with reference to standalone financial statements. 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 standalone financial statements 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 with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial

controls with reference to standalone 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.

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 with reference to standalone financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

A company’s internal financial control with reference to standalone 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 control with reference to standalone 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 STANDALONE FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to standalone 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 standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements 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 with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to standalone financial statements 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. 049660

(UDIN: 24049660BKFRRB3964)

Place: Mumbai

Date: May 28, 2024

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 to the members of Eureka Forbes Limited of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that,

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a program of verification of property, plant and equipment, so to cover all the items once every 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 due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) With respect to immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment, according to the information and explanations given to us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date and Immoveable 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 for the following:

| Sr. No. | Description of the property | As at Balance sheet date | | Held in the name of | Whether promoter, Director, or their relative or employee | Period held since (Refer Note below) |
|---------|--|--|--------------------------------------|---------------------------------|---|--------------------------------------|
| | | Gross carrying value (Rs. in lakhs) | Net Carrying value (Rs. in lakhs) | | | |
| 1 | B1/B2 701 Marathon Innova, Marathon NextGen, Off. Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013 | 5,141.20 | 4,920.11 | Erstwhile Eureka Forbes Limited | No | February 01, 2022 |
| 2 | Flat No. 701, 7th Floor, Sterling Sea Face, “A” Wing, Dr. Annie Besant Road, Worli, Mumbai – 400 018. | 918.05 | 873.11 | Erstwhile Eureka Forbes Limited | No | February 01, 2022 |
| 3 | Flat No.1103, 11th Floor, Sterling Sea Face, “B” Wing, Dr. Annie Besant Road, Worli, Mumbai – 400 018. | 918.05 | 874.31 | Erstwhile Eureka Forbes Limited | No | February 01, 2022 |
| 4 | Sarkar Castle Co-op. Hsg. Soc. Ltd., Flat No. 501, 5th Floor, 43 Chimbai Road, Bandra (west) Mumbai – 400 050. | 255.87 | 239.38 | Erstwhile Eureka Forbes Limited | No | February 01, 2022 |

| Sr. No. | Description of the property | As at Balance sheet date | | Held in the name of | Whether promoter, Director, or their relative or employee | Period held since (Refer Note below) |
|---------|---|--|--------------------------------------|---------------------------------|---|--------------------------------------|
| | | Gross carrying value (Rs. in lakhs) | Net Carrying value (Rs. in lakhs) | | | |
| 5 | Eden Wood “Cedar House” Co-op, Hsg. Society Ltd., Flat No.8C, Eden Woods, Village Chitalsar, Manpada, Smt. Glady’s Alvares Marg, Thane (West) – 400 061. | | | | | |
| 6 | Eden Wood “Cedar House” Co-op, Hsg. Society Ltd., Flat No.8D, Eden Woods, Village Chitalsar, Manpada, Smt. Glady’s Alvares Marg, Thane (West) – 400 061. | 300.03 | 281.86 | Erstwhile Eureka Forbes Limited | No | February 01, 2022 |
| 7 | Eden Wood “Cedar House” Co-op, Hsg. Society Ltd., Flat No. 9C, Eden Woods, Village Chitalsar, Manpada, Smt. Glady’s Alvares Marg, Thane (West) – 400 061. | | | | | |
| 8 | D-28/3, TTC Indl. Area Behind, Turbhe Telephone Exchange, Turbhe, Navi Mumbai - 400 705. | 41.06 | 38.38 | Erstwhile Eureka Forbes Limited | No | February 01, 2022 |
| 9 | 201 B, 2nd Floor, The Orion 5, Koregaon Road, Pune – 411 001. | 708.18 | 673.23 | Erstwhile Eureka Forbes Limited | No | February 01, 2022 |
| 10 | Shop No.201, 2nd Floor, South End Cnclave, R. B. Connector, EKADP, Kolkata - 700 078. | 389.66 | 371.21 | Erstwhile Eureka Forbes Limited | No | February 01, 2022 |
| 11 | Vedic Village Unit No. L – F8, Shikharpur, P. S. Rajarhet North 24 Parganas, Kolkata 700 135 | 122.40 | 116.93 | Erstwhile Eureka Forbes Limited | No | February 01, 2022 |
| 12 | 3rd floor, Nikhilesh Palace, Opp. Jawahar Nagar, 164/ 17-4, Ashpk Marg, Lucknow – 226 001 | 264.46 | 252.04 | Erstwhile Eureka Forbes Limited | No | February 01, 2022 |
| 13 | Shop No. 203 & 204, 2nd Floor, The Guman _ II, “A” Block, Opp. Tagore Public School, Vaishali Nagar, Jaipur – 302 021 | 359.00 | 341.46 | Erstwhile Eureka Forbes Limited | No | February 01, 2022 |
| 14 | Unit No. 402-408, 4th Floor, Sapphire heights, Plot No.12, Agra - Bombay Road, Indore – 452 010. | 118.00 | 112.40 | Erstwhile Eureka Forbes Limited | No | February 01, 2022 |
| 15 | 2nd & 3rd Floor, CLOUD-9, 81/1, The Swastik Co. Op. Hsg. Soc. Ltd., Navrangpura, Ahmedabad- 380 009. | 320.00 | 304.34 | Erstwhile Eureka Forbes Limited | No | February 01, 2022 |

| Sr. No. | Description of the property | As at Balance sheet date | | Held in the name of | Whether promoter, Director, or their relative or employee | Period held since (Refer Note below) |
|---------|--|-------------------------------------|-----------------------------------|---------------------------------|---|--------------------------------------|
| | | Gross carrying value (Rs. in lakhs) | Net Carrying value (Rs. in lakhs) | | | |
| 16 | Shop No. 2, 2nd Floor, Shiv Pooja Shopping Centre, City Light Main Road, Surat – 395. | 323.31 | 307.95 | Erstwhile Eureka Forbes Limited | No | February 01, 2022 |
| 17 | Office NO. 102, 1st Floor, Ivory Terrace, R. C. Dutta Road, Alkapuri, Baroda –390 005. | 206.58 | 196.79 | Erstwhile Eureka Forbes Limited | No | February 01, 2022 |
| 18 | Ground Floor, Bharati Tower, A- Block, Forest Park, Bhubaneswar – 751 009. | 308.70 | 294.27 | Erstwhile Eureka Forbes Limited | No | February 01, 2022 |
| 19 | Shop No. B4 on 2nd Floor, B5, C5 & D5 on 3rd Floor, “Anmol Palani”, No.88, G.N. Chetty Road. T. Nagar, Chennai – 600 017 | | | | | |
| 20 | Shop No. B5 on 3rd Floor, “Anmol, Palani”, No.88, G. N. Chetty Road.T. Nagar, Chennai – 600 017 | 522.18 | 496.27 | Erstwhile Eureka Forbes Limited | No | February 01, 2022 |
| 21 | Shop No. C5 & D5 on 3rd Floor, “Anmol Palani”, No.88, G. N. ChettyRoad. T. Nagar, Chennai – 600017 | | | | | |
| 22 | Unit No. 506,5th Floor, Pavani Prestige, Commercial Building Complex,6-3-789, Ammerpet, Hyderabad – 500 016. | 85.94 | 81.71 | Erstwhile Eureka Forbes Limited | No | February 01, 2022 |
| 23 | Unit No. 506,507 & 508, 5th Floor, Pavani Prestige, Commercial Building Complex, 6-3-789, Ammerpet, Hyderabad – 500 016. | 328.58 | 312.30 | Erstwhile Eureka Forbes Limited | No | February 01, 2022 |
| 24 | 4th Floor, Tutus Tower, NH –47, Bye-Pass Road, Padivattom, Cochin -682 024. | 286.00 | 272.53 | Erstwhile Eureka Forbes Limited | No | February 01, 2022 |
| 25 | Khasra No.3946,3961-62, Lal Tappar Industrial Area, Majri Grant, Dehradun-248140 | 3,416.17 | 3,234.24 | Erstwhile Eureka Forbes Limited | No | February 01, 2022 |
| 26 | No. 143, C-4, Bommasandra Industrial Area, Off Hosur Road, Bangalore -560099 | 5,983.92 | 5,764.20 | Erstwhile Eureka Forbes Limited | No | February 01, 2022 |

Note : Reason for all the above properties not being held in the name of the Company:

The title deeds of the immovable properties are in the name of erstwhile Eureka Forbes Limited (“the EFL”). Due to the scheme of arrangement in the earlier years, EFL was amalgamated into Forbes & Company Limited

and the said properties forming part of the Undertaking as defined in the scheme was demerged from Forbes & Company Limited in to Forbes Enviro Solutions Limited, which has been renamed as Eureka Forbes Limited. The Company is in the process of getting the title transferred in its name pursuant to the aforesaid scheme of arrangement.

- (d) The Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The inventories except for (goods-in-transit and stocks held with third parties), were physically verified during the year by the Management at reasonable intervals. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. For stocks held with third parties at the year-end, written confirmations have been obtained and in respect of goods in- transit, the goods have been received subsequent to the year-end or confirmations have been obtained from the parties. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories/ alternate procedures performed as applicable, when compared with the books of account.
- (b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the revised quarterly statements comprising (stock statements, statements on ageing analysis of the debtors receivables, and other stipulated financial information) filed by the Company with such banks are in agreement with the unaudited books of account of the Company of the respective quarters and no material discrepancies have been observed.
- (iii) The Company has made investments in units of mutual funds during the year. The Company has not provided any guarantee or security and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year.
- (a) The Company has not provided any loans or advances in the nature of loans or stood guarantee or provided security to any other entity during the year, and hence reporting under clause (iii)(a) of the Order is not applicable.
- (b) The investments made, during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.
- (c) The Company has not provided any loans or advances in the nature of loans to Companies or any other entity and hence reporting under clause (iii) (c), (d), (e) and (f) are not applicable.
- (iv) According to information and explanation given to us, the Company has not granted any loans, made investments or provided guarantees or securities, during the year that are covered under the provisions of sections 185 or 186 of the Companies Act, 2013, and hence reporting under clause (iv) of the Order is not applicable.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. 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) Undisputed statutory dues, including Goods and Service Tax, Provident Fund, Employees' State Insurance, Income-tax, Sales tax, duty of Custom, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities though there has been a delay in few cases in respect of remittance of Employees' State Insurance. We have been informed that the provisions of the duty of Excise and Value added tax are not applicable to the Company.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Income-tax, Sales Tax, Service Tax, duty of Custom, Duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.

- (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2024 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 2001-02 to AY 2006-07 and AY 2015-16 | 493.26 | 485.36 |
| | | CESAT, Bangalore | AY 2015-16 to AY 2018-19 | 893.04 | 822.65 |
| Income Tax Act, 1961 | Income Tax | Tribunal | AY 2008-09 | 84.68 | 84.68 |
| | | CIT (A) | AY 2016-17, AY 2017-18, AY 2018-19, AY 2019-20, AY 2020-21 | 1,539.05 | 1,539.05 |
| Sales Tax Act | Sales Tax | Deputy Commissioner Of Commercial Taxes | AY 2003-04, AY 2004-05, AY 2007-08 to AY 2014-15, AY 2013-14, AY 2016-17, AY 2017-18c | 255.29 | 191.44 |
| | | Joint Commissioner Of Commercial Taxes | AY 2014-15 | 0.89 | 0.71 |
| | | Assistant Commissioner Of Sales Tax - Appeals | AY 2016-17, AY 2017-18 | 3.96 | 3.32 |
| | | Assistant Commissioner (assessment) Special Circle-II | AY 1999-00 to AY 2005-06, AY 2013-14 | 1,988.05 | 1,454.42 |
| | | Assessing Authority | AY 2017-18 | 0.75 | 0.37 |
| | | | AY 2001-02 and AY 2004-05 | 351.28 | 221.71 |
| | | The Appellate Tribunal | AY 2017-18 | 42.88 | 42.77 |
| | | Joint Commissioner (appeals) Trade Tax | AY 2004-05 | 6.48 | 4.21 |
| | | Assistant Commissioner (ST) | AY 2018-19 | 0.02 | 0.02 |
| | | Joint Commissioner Of Sales Tax | AY 2007-08 to AY 2011-12 | 673.11 | 651.87 |
| | | Deputy Commissioner Of State Tax (Appeals) | AY 2003-04 and AY 2005-06 | 0.96 | 0.86 |
| | | Deputy Commissioner Of NMMC Cess (Appeals) | AY 2010-11 to AY 2013-14 | 56.37 | 44.63 |
| Chapter V, Finance Act, 1994 | Service Tax | Custom, Central Excise and Service Tax Appellate Tribunal | AY 2012-13 to AY 2018-19 | 858.03 | 797.57 |

| 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 Goods & Service Tax Act, 2017 | Goods & Service Tax | High Court of Karnataka | AY 2018-19 and AY 2019-20 | 42.68 | 42.68 |
| | | Joint Commissioner Appeals | AY 2018-19 | 9.67 | 9.67 |
| | | Appeal pending to be filed due to non-constitution of GST tribunal- (West Bengal) | AY 2019-20 | 7.08 | 7.08 |
| | | First appellate authority- Uttar Pradesh State Tax | AY 2019-20 | 5.94 | 5.35 |
| | | First appellate authority- Himachal Pradesh State Tax | AY 2018-19 and AY 2019-20 | 1.59 | 1.59 |
| | | High Court of Karnataka | AY 2018-19 | 1,259.56 | 1,259.56 |
| | | First appellate authority- Uttarakhand State Tax | AY 2018-19 and AY 2019-20 | 5.64 | 5.64 |
| | | First appellate authority - Maharashtra State Tax | AY 2019-20 | 85.69 | 81.57 |
| | | First Appellate authority, Telangana Central tax | AY 2018-19 to AY 2020-21 | 56.85 | 52.58 |
| | | First Appellate authority, State tax, West Bengal | AY 2018-19 | 24.60 | 23.48 |
| | | First Appellate authority, State tax, Punjab | AY 2018-19 | 24.69 | 23.42 |
| | | First Appellate authority, State tax, Gujarat | AY 2018-19 | 2.15 | 2.15 |
| | | First Appellate authority, State tax, Jammu & Kashmir | AY 2018-19 | 37.09 | 35.41 |
| | | First Appellate authority, Himachal Pradesh State tax | AY 2020-21 | 1.03 | 1.03 |
| | | First Appellate authority, Himachal Pradesh State tax | AY 2019-20 | 0.98 | 0.98 |
| | | We are in the course of filing a Writ petition with the Uttarakhand High Court | AY 2019-20 | 14.64 | 14.64 |
| | | We are in the course of filing an appeal with the First Appellate authority, Haryana Central tax | AY 2018-19, AY 2019-20 | 21.14 | 21.14 |
| Rajasthan Stamp Act, 1988 | Stamp Duty | Rajasthan Tax Board | FY 2022-23 | 960.08 | 960.08 |

^ Amount unpaid is net of the amounts paid under protest.

- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries. The Company did not have any joint ventures or associate companies during the year.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries companies.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.
- (b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x) (b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year and upto the date of this report and provided to us, when performing our audit.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto December 2023 and the final internal audit reports where issued after the balance sheet date covering the period January 2024 to March 2024 for the period under audit.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with any of its directors or directors of it's holding company, subsidiary company or persons connected with such directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.
- (b) The Group does not have any CIC as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

Nilesh Shah

Partner

Membership No. 49660
(UDIN: 24049660BKFRRB3964)

Place: Mumbai
Date: May 28, 2024

STANDALONE BALANCE SHEET

as at March 31, 2024

₹ in Lakhs

| Particulars | Notes | As at March 31, 2024 | As at March 31, 2023 |
|--|-------|-------------------------|-------------------------|
| ASSETS | | | |
| Non-current Assets | | | |
| (a) Property, plant and equipment | 3 | 27,066.37 | 27,024.98 |
| (b) Right of use assets | 4 | 1,591.60 | 2,079.03 |
| (c) Goodwill | | 2,05,581.67 | 2,05,581.67 |
| (d) Other intangible assets | 5 | 3,11,455.07 | 3,12,787.90 |
| (e) Intangible assets under development | 6 | 122.19 | 245.93 |
| (f) Financial assets | | | |
| (i) Investments | 7 | 2,524.86 | 2,524.86 |
| (ii) Other financial assets | 10 | 1,220.37 | 1,153.79 |
| (g) Income tax asset (net) | 11 | 2,183.60 | 2,400.52 |
| (h) Other non-current assets | 12 | 1,265.85 | 1,279.57 |
| Total Non-current Assets | | 5,53,011.58 | 5,55,078.25 |
| Current Assets | | | |
| (a) Inventories | 13 | 24,368.54 | 21,124.86 |
| (b) Financial assets | | | |
| (i) Investments | 7 | 5,494.84 | 7,579.95 |
| (ii) Trade receivables | 8 | 13,718.38 | 12,259.64 |
| (iii) Cash and cash equivalents | 14 | 5,551.79 | 1,236.00 |
| (iv) Bank balances other than (iii) above | 14 | 3,622.00 | 121.90 |
| (v) Loans | 9 | 6.38 | 6.52 |
| (vi) Other financial assets | 10 | 90.70 | 93.82 |
| (c) Other current assets | 12 | 6,155.54 | 5,395.03 |
| Total Current Assets | | 59,008.17 | 47,817.72 |
| Total Assets | | 6,12,019.75 | 6,02,895.97 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| (a) Equity share capital | 15 | 19,347.92 | 19,347.92 |
| (b) Other equity | 16 | 4,00,954.79 | 3,88,585.06 |
| Total Equity | | 4,20,302.71 | 4,07,932.98 |
| Liabilities | | | |
| Non-current Liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 17 | – | 2,466.48 |
| (ii) Lease liabilities | 20 | 409.66 | 853.52 |
| (b) Provisions | 21 | 357.17 | 227.02 |
| (c) Deferred tax liabilities (net) | 23 | 81,093.02 | 81,897.43 |
| (d) Other non-current liabilities | 22 | 13,150.68 | 12,197.94 |
| Total Non-current Liabilities | | 95,010.53 | 97,642.39 |
| Current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 17 | 2,491.97 | 9,613.78 |
| (ii) Lease liabilities | 20 | 969.18 | 993.99 |
| (iii) Trade and other payables | | | |
| Total outstanding dues of micro enterprises and small enterprises | 18 | 6,865.46 | 6,664.73 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 18 | 15,060.55 | 16,183.01 |
| (iv) Other financial liabilities | 19 | 18,343.55 | 15,074.76 |
| (b) Provisions | 21 | 2,318.11 | 2,386.56 |
| (c) Income tax liabilities (net) | 11 | 5,570.38 | 1,881.48 |
| (d) Other current liabilities | 22 | 45,087.31 | 44,522.29 |
| Total Current Liabilities | | 96,706.51 | 97,320.60 |
| Total Liabilities | | 1,91,717.04 | 1,94,962.99 |
| Total Equity and Liabilities | | 6,12,019.75 | 6,02,895.97 |

The accompanying notes are an integral part of the financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP

Chartered Accountants

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

Nilesh Shah

Partner

Mumbai, India

Dated : May 28, 2024

Arvind Uppal

Chairman

(DIN-00104992)

Gurugram, India

Dated : May 28, 2024

Pratik R. Pota

Managing Director & CEO

(DIN-00751178)

Mumbai, India

Dated : May 28, 2024

Gaurav Khandelwal

Chief Financial Officer

Mumbai, India

Dated : May 28, 2024

Pragya Kaul

Company Secretary

Mumbai, India

Dated : May 28, 2024

STANDALONE STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2024

₹ in Lakhs

| Particulars | Notes | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|-------|------------------------------|------------------------------|
| I Income | | | |
| Revenue from operations | 24 | 2,18,922.63 | 2,08,041.88 |
| Other income and other gains / (losses)-net | 25 | 852.94 | 1,041.96 |
| Total Income | | 2,19,775.57 | 2,09,083.84 |
| II Expenses | | | |
| Cost of materials consumed | 26 | 83,359.00 | 64,367.17 |
| Purchases of stock-in-trade | 26 | 10,292.52 | 15,124.62 |
| Changes in inventories of finished goods, spares, stock-in-trade and work-in-progress | 26 | (3,560.87) | 5,045.46 |
| Employee benefits expense | 27 | 32,783.39 | 30,054.71 |
| Finance costs | 28 | 971.77 | 1,985.75 |
| Depreciation and amortisation expense | 29 | 5,312.49 | 5,528.43 |
| Other expenses | 30 | 76,862.03 | 80,281.91 |
| Total expenses | | 2,06,020.33 | 2,02,388.05 |
| III Profit before exceptional items and tax | | 13,755.24 | 6,695.79 |
| Less : Exceptional items | 26 | (1,514.90) | (4,001.80) |
| IV Profit/ (Loss) before tax and after exceptional items | | 12,240.34 | 2,693.99 |
| Less: Tax expense | | | |
| Current tax | 31 | 3,887.91 | 1,829.01 |
| Deferred tax charge | 31 | (804.42) | (843.04) |
| | | 3,083.49 | 985.97 |
| V Profit/(Loss) for the year | | 9,156.85 | 1,708.02 |
| VI Other Comprehensive Income | | | |
| (A) Items that will not be reclassified to profit or loss | | | |
| (i) Remeasurements of the defined benefit plans gain/ (loss) | | (315.04) | (631.79) |
| (ii) Income tax relating to items that will not be reclassified to profit/(loss) | | 79.16 | 159.01 |
| | | (235.88) | (472.78) |
| VII Total comprehensive Income for the year | | 8,920.97 | 1,235.24 |
| Earnings per equity share: | | | |
| (1) Basic (in ₹) | 32 | 4.73 | 0.88 |
| (2) Diluted (in ₹) | 32 | 4.72 | 0.88 |

The accompanying notes are an integral part of the financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP

Chartered Accountants

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

Nilesh Shah

Partner

Mumbai, India

Dated : May 28, 2024

Arvind Uppal

Chairman

(DIN-00104992)

Gurugram, India

Dated : May 28, 2024

Pratik R. Pota

Managing Director & CEO

(DIN-00751178)

Mumbai, India

Dated : May 28, 2024

Gaurav Khandelwal

Chief Financial Officer

Mumbai, India

Dated : May 28, 2024

Pragya Kaul

Company Secretary

Mumbai, India

Dated : May 28, 2024

STANDALONE STATEMENT OF CASH FLOW

for the year ended March 31, 2024

₹ in Lakhs

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|------------------------------|------------------------------|
| Cash flows from operating activities | | |
| Profit/ (Loss) before tax and after exceptional items | 12,240.34 | 2,693.99 |
| Adjustments for: | | |
| Finance costs recognised in profit and loss | 783.02 | 1,808.64 |
| Interest on lease liabilities | 188.75 | 177.12 |
| (Gain)/loss on modification/disposal of right of use assets | (9.58) | (26.23) |
| (Gain)/ loss on disposal of investment recognised in profit and loss | (47.68) | (133.31) |
| Interest Income | (190.61) | (35.89) |
| (Gain)/ Loss on disposal of property, plant and equipment | (74.05) | (515.48) |
| Provision/write-off of doubtful debts, advances and other current assets | 123.85 | 1,231.62 |
| Depreciation and amortisation expenses on property, plant and equipment and intangible assets | 4,097.42 | 4,437.16 |
| Depreciation and amortisation expenses on right of use assets | 1,215.07 | 1,091.26 |
| Exceptional Items | 1,514.90 | 4,001.80 |
| Fair value of investment at FVTPL | (367.21) | (80.33) |
| Employee stock option scheme reserve | 3,448.76 | - |
| Net foreign exchange (gain)/loss-unrealised | 6.37 | (50.33) |
| Operating profit before working capital changes | 22,929.35 | 14,600.02 |
| Movements in working capital: | | |
| (Increase)/decrease in trade and other receivables | (1,582.59) | 2,231.75 |
| (Increase)/decrease in inventories | (4,758.58) | 4,681.89 |
| (Increase)/decrease in loans and advances | 0.14 | 1.39 |
| (Increase)/decrease in other assets | (746.43) | (1,400.08) |
| (Increase)/decrease in other financial assets | (24.57) | 516.37 |
| Increase/(decrease) in trade and other payables | (928.10) | (1,551.50) |
| Increase/(decrease) in provisions | (253.34) | (292.89) |
| Increase/(decrease) in other liabilities | 4,786.55 | (1,311.04) |
| Cash generated from operations | 19,422.43 | 17,475.91 |
| Less : Income taxes (paid) / refund received | 97.07 | (371.28) |
| Net cash generated from operating activities | 19,519.50 | 17,104.63 |
| Cash flows from investing activities | | |
| Interest received | 190.61 | 35.89 |
| Proceeds from sale of mutual funds | 2,500.00 | 7,803.64 |
| Payments for property, plant and equipment, intangible assets under development, capital work in progress and other intangible assets | (2,945.32) | (1,866.78) |
| Payments for investment in mutual funds | - | (9,000.00) |
| Proceeds from disposal of property, plant and equipment | 336.78 | 799.68 |
| Movement in bank balance other than cash & cash equivalents | (3,538.99) | (22.65) |
| Net cash used in investing activities | (3,456.92) | (2,250.22) |

STANDALONE STATEMENT OF CASH FLOW

for the year ended March 31, 2024

₹ in Lakhs

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|--|------------------------------|------------------------------|
| Cash flows from financing activities | | |
| Repayment of borrowings | (2,500.00) | (2,500.00) |
| Net increase / (decrease) in working capital borrowings | (7,113.78) | (9,407.19) |
| Payment of lease liabilities | (1,375.48) | (1,225.01) |
| Interest paid | (757.53) | (1,777.72) |
| Amount paid for increase in authorised share capital | – | (50.28) |
| Net cash used in financing activities | (11,746.79) | (14,960.20) |
| Net increase / (decrease) in cash and cash equivalents | 4,315.79 | (105.79) |
| Cash and cash equivalents at the beginning of the year | 1,236.00 | 1341.79 |
| Cash and cash equivalents at the end of the year | 5,551.79 | 1,236.00 |
| Net increase / (decrease) in cash and cash equivalents as disclosed above | 4,315.79 | (105.79) |

Note:

- The above cash flow statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (IndAS-7) statement of cash flows.
- Changes in carrying amount of financial liabilities included under financing activities under statement of cash flow:

₹ in Lakhs

| Changes in liabilities arising from financing activities: | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|------------------------------|------------------------------|
| Opening balance | 13,927.77 | 25,268.23 |
| Changes due to cash flow | (10,989.26) | (13,132.20) |
| Non cash change (gain)/loss | 932.30 | 1,791.74 |
| Closing balance | 3,870.81 | 13,927.77 |

The accompanying notes are an integral part of the financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP

Chartered Accountants

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

Nilesh Shah

Partner

Mumbai, India

Dated : May 28, 2024

Arvind Uppal

Chairman

(DIN-00104992)

Gurugram, India

Dated : May 28, 2024

Pratik R. Pota

Managing Director & CEO

(DIN-00751178)

Mumbai, India

Dated : May 28, 2024

Gaurav Khandelwal

Chief Financial Officer

Mumbai, India

Dated : May 28, 2024

Pragya Kaul

Company Secretary

Mumbai, India

Dated : May 28, 2024

STANDALONE STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2024

A. EQUITY SHARE CAPITAL

| Particulars | ₹ in Lakhs | |
|--|-------------------------|-------------------------|
| | As at March 31, 2024 | As at March 31, 2023 |
| Opening Balance at the beginning of the year | 19,347.92 | 19,347.92 |
| Movement during the year | - | - |
| Closing Balance at the end of the year | 19,347.92 | 19,347.92 |

B. OTHER EQUITY

As at March 31, 2024

| Particulars | ₹ in Lakhs | | | |
|--|-------------------|--------------------|-----------------|--------------------|
| | Retained earnings | Securities Premium | Capital Reserve | Total Other Equity |
| As at April 1, 2023 | 1,038.90 | 3,87,063.43 | 482.73 | 3,88,585.06 |
| Add: | | | | |
| Add: Addition during the year | 9,156.85 | - | - | 12,605.61 |
| Other comprehensive Income for the year, net of income tax | (235.88) | - | - | (235.88) |
| Total comprehensive income for the year | 8,920.97 | - | - | 12,369.73 |
| Balance at March 31, 2024 | 9,959.87 | 3,87,063.43 | 482.73 | 4,00,954.79 |

As at March 31, 2023

| Particulars | ₹ in Lakhs | | | |
|--|-------------------|--------------------|-----------------|--------------------|
| | Retained earnings | Securities premium | Capital reserve | Total other equity |
| As at April 1, 2022 | (196.34) | 3,87,063.43 | 482.73 | 3,87,349.82 |
| Add: | | | | |
| Add: Addition during the year | 1,708.02 | - | - | 1,708.02 |
| Other comprehensive income for the year, net of income tax | (472.78) | - | - | (472.78) |
| Total comprehensive income for the year | 1,235.24 | - | - | 1,235.24 |
| Balance at March 31, 2023 | 1,038.90 | 3,87,063.43 | 482.73 | 3,88,585.06 |

The accompanying notes are an integral part of the financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP

Chartered Accountants

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

Nilesh Shah

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Chief Financial Officer

Mumbai, India

Dated : May 28, 2024

Pragya Kaul

Company Secretary

Mumbai, India

Dated : May 28, 2024

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended on March 31, 2024

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 engaged in Manufacturing, selling, renting and servicing of Vacuum cleaners, Water Filter cum purifiers, trading in electronic air cleaning system etc.

NOTE 1: BASIS OF PREPARATION OF FINANCIAL STATEMENTS

This note provides a list of material 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, on accrual basis of accounting except for certain financial assets and liabilities (including derivative instruments) that are measured at fair value.

(c) Functional and presentation currency

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

(d) Use of estimates and judgements

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

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

Judgements

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

Note 2(g) and 3 – Useful lives of Property, plant and equipment

Note 2(h) and 5 – Useful and indefinite lives of Intangible assets

Note 2(i) and 36 – Employee Benefit Expense

Note 2(o) and 33A – Provisions and Contingent liabilities

Note 33l (B) – Estimation for provision of Warranty Claims

Note 40 (a) – Impairment of Trade Receivables

Note 11, Note 31, Note 43 and Note 2(m) – Income taxes

Note 23, Note 31, Note 42 and Note 2(m) – Recognition of Deferred taxes

Note 2(l) – Refund Liabilities

Note 33S – Impairment testing of goodwill and intangible assets with indefinite useful life

Note 27 and Note 37 – Employee share option scheme expenses.

Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option or appreciation right, volatility and dividend yield and making assumptions about them. For the measurement of the fair value of equity-settled transactions with employees at the grant date, the Company uses a Black Scholes model and Monte-Carlo simulation model basis the type of option granted. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 37.

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.

(i) Note 33A and Note 33 (l) – Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

(ii) Note 33S – Impairment testing of goodwill and intangible assets with indefinite useful life

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

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended on March 31, 2024

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.

(iii) Note 37—Employee share option scheme expenses.

(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 Note 39 – Financial instruments.

NOTE 2: MATERIAL 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

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended on March 31, 2024

- 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.

(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

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended on March 31, 2024

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

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended on March 31, 2024

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. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet and are not considered as integral part of Company's cash management.

(f) Inventories

Inventories are measured at the lower of cost or 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 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.

Property, plant and equipment acquired in a business combination are recognised at fair value at the acquisition date.

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

Property, plant and equipment derecognised when it is

- no longer expected to generate future economic benefit or
- when it is disposed of

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 property, plant and equipment where the useful life is considered differently based on technical evaluation. Management believe that such estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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 Equipment's | 3 to 5 years |

(h) Goodwill and other 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.

An intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- (i) the technical feasibility of completing the intangible asset so that it will be available for use;
- (ii) the intention to complete the intangible asset and use;
- (iii) the ability to use the intangible asset;
- (iv) how the intangible asset will generate probable future economic benefits;
- (v) the availability of adequate technical, financial and other resources to complete the development and to use the intangible asset; and

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended on March 31, 2024

- (vi) the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Amortisation

Intangible assets acquired in a business combination are recognised at fair value at the acquisition date. Subsequently, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

The useful lives of intangible assets are assessed as finite or indefinite. Finite-life intangible asset are amortised on a straight-line basis over the period of their estimated useful lives. Estimated useful lives by major class of finite life Intangible assets are as follow:

| Type of Assets | Period |
|-----------------------------|----------|
| Technical Knowhow | 5 years |
| Computer Software | 5 years |
| Distributor network-Service | 10 years |
| Distributor network-Product | 10 years |

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

Indefinite-life intangible assets comprise of brandname/ trademarks for which there is no foreseeable Limit to the period over which they are expected to generate net cash inflows. These are considered to have an indefinite life, given the strength and durability of the brands and the level of marketing support.

For Indefinite life intangible assets, the assessment of indefinite life is reviewed annually to determine whether it continues, if not, it is impaired or changed prospectively basis revised estimates.

Goodwill is initially recognised based on the accounting policy for Business combination and is tested for impairment annually.

(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.

(iv) Employee stock option scheme policy

Employees of the Company receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended on March 31, 2024

That cost is recognised in employee benefits expense, together with a corresponding increase in equity, over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and are the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions. No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share (refer Note 32).

(j) Research and Development

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following conditions have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

(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.

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended on March 31, 2024

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

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended on March 31, 2024

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. In case 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.

(l) 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 is 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 customer.

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.

(m) 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

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended on March 31, 2024

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 periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to tax authorities.

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 is 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.

Uncertain Tax position

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate. The provision is estimated based on one of two methods, the expected value method (the sum of the probability weighted amounts in a range of possible outcomes) or the single most likely amount method, depending on which is expected to better predict the resolution of the uncertainty.

(n) 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.

(o) 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.

(p) Investment in Subsidiaries

The Company has elected to recognize its investments in subsidiaries 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.

(q) 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.

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended on March 31, 2024

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.

(r) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker.

The board of directors of the Company assesses the financial performance and position of the Company and makes strategic decisions. The board of directors,

which has been identified as being the Chief Operating Decision Maker, consists of the key managerial personnel and the directors who are in charge of the corporate planning. Refer Note 33C for segment information presented.

(s) Recent Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended on March 31, 2024

NOTE 3 : PROPERTY, PLANT AND EQUIPMENT

| Gross Block (refer note (a)) | Freehold Land (refer note (d)) | Buildings (refer note (d)) | Plant and Machinery (refer note (b)) | Assets- on lease (refer note (c)) | Electrical Installation & Equipment | Laboratory Equipment | Office Equipment | Furniture and Fixtures | Vehicles | Computers | Total |
|---------------------------------|---|----------------------------------|---|--|--|-------------------------|---------------------|------------------------------|-----------------|---------------|------------------|
| | | | | | | | | | | | ₹ in Lakhs |
| As at 01 April 2022 | 6,405.00 | 14,710.53 | 4,265.49 | - | 217.91 | 113.30 | 77.36 | 220.52 | 904.07 | 727.30 | 27,641.48 |
| Additions | - | 102.72 | 916.44 | 7.19 | 61.57 | 16.31 | 18.08 | 43.31 | 592.99 | 103.02 | 1,861.63 |
| Deletions | - | - | (235.54) | - | (15.07) | (3.54) | (8.32) | (21.35) | (352.80) | (19.75) | (656.37) |
| As at March 31, 2023 | 6,405.00 | 14,813.25 | 4,946.39 | 7.19 | 264.41 | 126.07 | 87.12 | 242.48 | 1,144.26 | 810.57 | 28,846.74 |
| Additions | - | 99.10 | 1,360.27 | - | 27.25 | 13.29 | 34.63 | 59.74 | 24.59 | 255.72 | 1,874.59 |
| Deletions | - | - | (112.55) | - | (18.95) | (26.78) | (11.93) | (24.01) | (163.53) | (77.63) | (435.38) |
| As at March 31, 2024 | 6,405.00 | 14,912.35 | 6,194.11 | 7.19 | 272.71 | 112.58 | 109.82 | 278.21 | 1,005.32 | 988.66 | 30,285.95 |
| Depreciation | | | | | | | | | | | |
| As at 01 April 2022 | - | 71.32 | 75.46 | - | 5.79 | 3.52 | 12.45 | 18.90 | 61.83 | 52.49 | 301.76 |
| Charge for the year | - | 442.13 | 706.98 | 0.90 | 36.24 | 23.55 | 21.67 | 34.31 | 356.81 | 269.58 | 1,892.17 |
| Deletions | - | - | (227.44) | - | (1.83) | (0.79) | (1.90) | (2.06) | (134.72) | (3.43) | (372.17) |
| As at March 31, 2023 | - | 513.45 | 555.00 | 0.90 | 40.20 | 26.28 | 32.22 | 51.15 | 283.92 | 318.64 | 1,821.76 |
| Charge for the year | - | 444.88 | 492.02 | 1.14 | 34.72 | 21.72 | 19.55 | 35.74 | 252.92 | 267.76 | 1,570.45 |
| Deletions | - | - | (36.06) | - | (4.32) | (9.32) | (7.85) | (13.82) | (79.21) | (22.05) | (172.63) |
| As at March 31, 2024 | - | 958.33 | 1,010.96 | 2.04 | 70.60 | 38.68 | 43.92 | 73.07 | 457.63 | 564.35 | 3,219.58 |
| Net Block | | | | | | | | | | | |
| As at March 31, 2023 | 6,405.00 | 14,299.80 | 4,391.39 | 6.29 | 224.21 | 99.79 | 54.90 | 191.33 | 860.34 | 491.93 | 27,024.98 |
| As at March 31, 2024 | 6,405.00 | 13,954.02 | 5,183.15 | 5.15 | 202.11 | 73.90 | 65.90 | 205.14 | 547.69 | 424.31 | 27,066.37 |

Notes:

- Refer Note 41 for assets pledged as security.
- Includes moulds given on Lease has a useful life of 15 years and depreciated accordingly.
- Assets given on Lease have a useful life of 6 years and depreciated accordingly.
- The title deeds in respect of freehold land and buildings which has been acquired in business combination, are held in the name of erstwhile Eureka Forbes Limited. The company is in the process of transferring the above freehold land and Buildings in its own name.

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended on March 31, 2024

| Description of the property | As at March 31, 2024 | | Held in the name of | Whether promoter, Director, or their relative or employee | Period held since |
|--|----------------------|--------------------|---------------------------------|---|-------------------|
| | Gross carrying value | Net Carrying value | | | |
| B1/B2 701 Marathon Innova, Marathon NextGen, Off. Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013 | 5,141.20 | 4,920.11 | Erstwhile Eureka Forbes Limited | No | February 01, 2022 |
| Fiat No. 701, 7th Floor, Sterling Sea Face, "A" Wing, Dr. Annie Besant Road, Worli, Mumbai – 400 018 | 918.05 | 873.11 | Erstwhile Eureka Forbes Limited | No | February 01, 2022 |
| Fiat No.1103, 11th Floor, Sterling Sea Face, "B" Wing, Dr. Annie Besant Road, Worli, Mumbai – 400 018. | 918.05 | 874.31 | Erstwhile Eureka Forbes Limited | No | February 01, 2022 |
| Sarkar Castle Co-op. Hsg. Soc. Ltd., Flat No. 501, 5th Floor, 43 Chimbai Road, Bandra (west), Mumbai – 400 050. | 255.87 | 239.38 | Erstwhile Eureka Forbes Limited | No | February 01, 2022 |
| Fiat No.8C, Eden Wood "Cedar House" Co-op. Hsg. Society Ltd., Eden Woods, Village Chitalsar, Manpada, Smt. Gladys's Alvares Marg, Thane (West) – 400 061. | 300.03 | 281.86 | Erstwhile Eureka Forbes Limited | No | February 01, 2022 |
| Fiat No.8D, Eden Wood "Cedar House" Co-op. Hsg. Society Ltd., Eden Woods, Village Chitalsar, Manpada, Smt. Gladys's Alvares Marg, Thane (West) – 400 061. | | | | | |
| Fiat No. 9C, Eden Wood "Cedar House" Co-op. Hsg. Society Ltd., Eden Woods, Village Chitalsar, Manpada, Smt. Gladys's Alvares Marg, Thane (West) – 400 061. | | | | | |
| D-28/3, TTC Indl. Area Behind, Turbhe Telephone Exchange, Turbhe, Navi Mumbai-400 705. | 41.06 | 38.38 | Erstwhile Eureka Forbes Limited | No | February 01, 2022 |
| 201 B, 2nd Floor, The Orion 5, Koregaon Road, Pune – 411 001. | 708.18 | 673.23 | Erstwhile Eureka Forbes Limited | No | February 01, 2022 |
| Shop No.201, 2nd Floor, South End Enclave, R. B. Connector, EKADP, Kolkata-700 078. | 389.66 | 371.21 | Erstwhile Eureka Forbes Limited | No | February 01, 2022 |
| Vedic Village Unit No. L – F8, Shikharpur, P. S. Rajarhet North 24 Parganas, Kolkata 700 135 | 122.40 | 116.93 | Erstwhile Eureka Forbes Limited | No | February 01, 2022 |
| 3rd floor, Nikhilesh Palace, Opp. Jawahar Nagar, 164/ 17-4, Ashpk Marg, Lucknow – 226 001 | 264.46 | 252.04 | Erstwhile Eureka Forbes Limited | No | February 01, 2022 |
| Shop No. 203 & 204, 2nd Floor, The Guman _ II, "A" Block, Opp. Tagore Public School, Vaishali Nagar, Jaipur – 302 021 | 359.00 | 341.46 | Erstwhile Eureka Forbes Limited | No | February 01, 2022 |
| Unit No. 402-408, 4th Floor, Sapphire heights, Plot No.12, Agra-Bombay Road, Indore – 452 010. | 118.00 | 112.40 | Erstwhile Eureka Forbes Limited | No | February 01, 2022 |
| 2nd & 3rd Floor, CLOUD-9, 81/1, The Swastik Co. Op. Hsg. Soc. Ltd., Navrangpura, Ahmedabad- 380 009. | 320.00 | 304.34 | Erstwhile Eureka Forbes Limited | No | February 01, 2022 |

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended on March 31, 2024

| Description of the property | As at March 31, 2024 | | Held in the name of | Whether promoter, Director, or their relative or employee | Period held since |
|--|----------------------|--------------------|---------------------------------|---|-------------------|
| | Gross carrying value | Net Carrying value | | | |
| Shop No. 2, 2nd Floor, Shiv Pooja Shopping Centre, City Light Main Road, Surat – 395. | 323.31 | 307.95 | Erstwhile Eureka Forbes Limited | No | February 01, 2022 |
| Office NO. 102, 1st Floor, Ivory Terrace, R. C. Dutta Road, Alkapuri, Baroda –390 005. | 206.58 | 196.79 | Erstwhile Eureka Forbes Limited | No | February 01, 2022 |
| Ground Floor, Bharati Tower, A- Block, Forest Park, Bhubaneswar – 751 009. | 308.70 | 294.27 | Erstwhile Eureka Forbes Limited | No | February 01, 2022 |
| Shop No. B4 on 2nd Floor, B5, C5 &D5 on 3rd Floor, “Anmol Palani”, No.88, G.N. Chetty Road. T. Nagar, Chennai – 600 017 | 522.18 | 496.27 | Erstwhile Eureka Forbes Limited | No | February 01, 2022 |
| Shop No. B5 on 3rd Floor, “Anmol, Palani”, No.88, G. N. Chetty Road.T. Nagar, Chennai – 600 017 | | | | | |
| Shop No. C5 & D5 on 3rd Floor, “Anmol Palani”, No.88, G. N. ChettyRoad. T. Nagar, Chennai – 600017 | | | | | |
| Unit No. 506,5th Floor, Pavani Prestige, Commercial Building Complex,6-3-789, Ammerpet, Hyderabad – 500 016. | 85.94 | 81.71 | Erstwhile Eureka Forbes Limited | No | February 01, 2022 |
| Unit No. 506,507 & 508, 5th Floor, Pavani Prestige, Commercial Building Complex, 6-3-789, Ammerpet, Hyderabad – 500 016. | 328.58 | 312.30 | Erstwhile Eureka Forbes Limited | No | February 01, 2022 |
| 4th Floor, Tutus Tower, NH –47, Bye-Pass Road, Padivattom, Cochin -682 024. | 286.00 | 272.53 | Erstwhile Eureka Forbes Limited | No | February 01, 2022 |
| Khasra No.3946,3961-62, Lal Tappar Industrial Area, Majri Grant, Dehradun-248140 | 3,416.17 | 3,234.24 | Erstwhile Eureka Forbes Limited | No | February 01, 2022 |
| No. 143, C-4, Bommasandra Industrial Area, Off Hosur Road, Bangalore -560099 | 5,983.92 | 5,764.20 | Erstwhile Eureka Forbes Limited | No | February 01, 2022 |

Reason for all the above properties not being held in the name of the Company:

The title deeds of the immovable properties are in the name of erstwhile Eureka Forbes Limited (“the EFL”). Due to the scheme of arrangement in the earlier years, EFL was amalgamated into Forbes & Company Limited and the said properties forming part of the Undertaking as defined in the scheme was demerged from Forbes & Company Limited in to Forbes Enviro Solutions Limited, which has been renamed as Eureka Forbes Limited. The Company is in the process of getting the title transferred in its name pursuant to the aforesaid scheme of arrangement.

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended on March 31, 2024

NOTE 4 : RIGHT OF USE ASSETS

| | | ₹ in Lakhs | |
|-----------------------------|-----------------|--------------------------|-----------------|
| Gross Block | Leasehold land# | ROU Assets– Buildings | Total |
| As at 01 April 2022 | 345.01 | 1,399.10 | 1,744.11 |
| Additions | – | 1,947.82 | 1,947.82 |
| Deletions | – | (513.27) | (513.27) |
| As at March 31, 2023 | 345.01 | 2,833.65 | 3,178.66 |
| Additions | – | 549.50 | 549.50 |
| Deletions | – | (246.76) | (246.76) |
| As at March 31, 2024 | 345.01 | 3,136.39 | 3,481.40 |
| Depreciation | | | |
| As at 01 April 2022 | 0.86 | 182.89 | 183.75 |
| Charge for the year | 5.30 | 1,085.96 | 1,091.26 |
| Deletions | – | (175.38) | (175.38) |
| As at March 31, 2023 | 6.16 | 1,093.47 | 1,099.63 |
| Charge for the year | 5.30 | 1,209.77 | 1,215.07 |
| Deletions | – | (159.01) | (159.01) |
| Adjustments | – | (265.89) | (265.89) |
| As at March 31, 2024 | 11.46 | 1,878.34 | 1,889.80 |
| Net Block | | | |
| As at March 31, 2023 | 338.85 | 1,740.18 | 2,079.03 |
| As at March 31, 2024 | 333.55 | 1,258.05 | 1,591.60 |

#Refer Note 41 for assets pledged as security.

NOTE 5 : OTHER INTANGIBLE ASSETS

| | | | | | | ₹ in Lakhs |
|-----------------------------|-------------------|---------------------------------|---------------------------------|-------------------|-------------------------|--------------------|
| Gross Block | Computer Software | Distributor network– Service | Distributor network– Product | Technical Knowhow | Brand Name / Trademarks | Total |
| As at 01 April 2022 | 126.73 | 20,557.83 | 3,966.24 | 19.79 | 2,91,119.26 | 3,15,789.85 |
| Additions | – | – | – | – | – | – |
| Deletions | – | – | – | – | – | – |
| As at March 31, 2023 | 126.73 | 20,557.83 | 3,966.24 | 19.79 | 2,91,119.26 | 3,15,789.85 |
| Additions | 1,194.14 | – | – | – | – | 1,194.14 |
| Deletions | – | – | – | – | – | – |
| As at March 31, 2024 | 1,320.87 | 20,557.83 | 3,966.24 | 19.79 | 2,91,119.26 | 3,16,983.99 |
| Depreciation | | | | | | |
| As at 01 April 2022 | 28.44 | 342.63 | 66.10 | 19.79 | – | 456.96 |
| Charge for the year | 92.59 | 2,055.78 | 396.62 | – | – | 2,544.99 |
| Deletions | – | – | – | – | – | – |
| As at March 31, 2023 | 121.03 | 2,398.41 | 462.72 | 19.79 | – | 3,001.95 |
| Charge for the year | 74.57 | 2,055.78 | 396.62 | – | – | 2,526.97 |
| Deletions | – | – | – | – | – | – |
| As at March 31, 2024 | 195.60 | 4,454.19 | 859.34 | 19.79 | – | 5,528.92 |
| Net Block | | | | | | |
| As at March 31, 2023 | 5.70 | 18,159.42 | 3,503.52 | – | 2,91,119.26 | 3,12,787.90 |
| As at March 31, 2024 | 1,125.27 | 16,103.64 | 3,106.90 | – | 2,91,119.26 | 3,11,455.07 |

Notes:

a. Refer Note 33S for Impairment testing of goodwill and intangible assets with indefinite useful life.

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended on March 31, 2024

NOTE 6 : INTANGIBLE ASSETS UNDER DEVELOPMENT (IAUD)

(i) Intangible asset under development movement

| Movement of intangible assets under development | ₹ in Lakhs | |
|---|-------------------------|-------------------------|
| | As at March 31, 2024 | As at March 31, 2023 |
| Opening balance | 245.93 | – |
| Add: Additions during the year | 598.71 | 245.93 |
| Less: Capitalized during the year | (722.45) | – |
| Closing balance | 122.19 | 245.93 |

(ii) Intangible Asset Under Development Schedule

| Amount of intangible assets under development for a period of | As at March 31, 2024 | | As at March 31, 2023 | |
|---|----------------------|--------------------------------|----------------------|--------------------------------|
| | Projects in progress | Projects temporarily suspended | Projects in progress | Projects temporarily suspended |
| Less than 1 year | 122.19 | – | 245.93 | – |
| 1-2 years | – | – | – | – |
| 2-3 years | – | – | – | – |
| More than 3 years | – | – | – | – |
| Total | 122.19 | – | 245.93 | – |

NOTE 7 : INVESTMENTS

| Particulars | ₹ in Lakhs | |
|--|-------------------------|-------------------------|
| | As at March 31, 2024 | As at March 31, 2023 |
| Non-current Investments | | |
| Unquoted Investments (all fully paid up) | | |
| Investments in Equity Instruments | | |
| 5,00,000 (March 31, 2023: 5,00,000) equity shares of ₹ 10 fully paid up in Forbes Aquatech Limited | 50.00 | 50.00 |
| 70,00,000 (March 31, 2023: 70,00,000) equity shares of ₹ 10 fully paid up in Infinite Water Solutions Private Limited | 2,474.15 | 2,474.15 |
| 3,57,765 (March 31, 2023: 3,57,765) equity shares of AED 1000 fully paid up in Euro Forbes Limited (Includes 3,16,150 shares issued at discount) | 35,148.04 | 35,148.04 |
| Less: Impairment in value of investments in Euro Forbes Limited (Refer Note (a)) | (35,148.04) | (35,148.04) |
| Total Unquoted Investments in subsidiaries at cost | 2,524.15 | 2,524.15 |
| Investments in Equity Instruments–Other Company | | |
| 7,143 (March 31, 2023: 7,143) equity shares of ₹ 10 fully paid up in Water Quality Association (Refer Note (b)) | 0.71 | 0.71 |
| Total Unquoted Investments at cost | 0.71 | 0.71 |
| Total Non-current Investment | 2,524.86 | 2,524.86 |
| Aggregate value of unquoted investments and market value thereof | 2,524.86 | 2,524.86 |
| Aggregate amount of impairment in value of investments | 35,148.04 | 35,148.04 |

Notes:

- The cost of investment in Euro Forbes Limited in the books of demerged undertaking that got merged into the company w.e.f February 01, 2022 amounted to ₹ 35,148.04 lakhs. This investment was fully impaired in the books of demerged undertaking (including ₹ 415.78 lakhs pertaining to Equity Component in Fair Value of financial guarantees).
- The Company has invested in 7,143 shares of face value ₹ 10 each in a non profit making organisation hence the fair value has been considered same as the carrying value.

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended on March 31, 2024

₹ in Lakhs

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Current Investments | | |
| Unquoted Investments in Mutual Funds | | |
| Nippon India Liquid Fund–Growth Plan Growth Option: 55,815.86 units (March 31, 2023: 55,815.86 units) | 3,261.68 | 3,043.76 |
| Tata Liquid Fund–Regular Plan–Growth: 59,228.91 units (March 31, 2023: 1,28,929.77 units) | 2,233.16 | 4,536.19 |
| Total Current Investment | 5,494.84 | 7,579.95 |
| Aggregate value of unquoted investments and market value thereof | 5,494.84 | 7,579.95 |

NOTE 8 : TRADE RECEIVABLES

₹ in Lakhs

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Non-current Trade Receivables | | |
| Unsecured, considered good | – | – |
| Unsecured, credit impaired | 361.75 | 361.75 |
| Less: Allowance for doubtful debts | (361.75) | (361.75) |
| Total Non-current Trade Receivables | – | – |

₹ in Lakhs

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Current Trade Receivables | | |
| Unsecured, considered good | 13,718.38 | 12,259.64 |
| Unsecured, credit impaired | 878.72 | 749.29 |
| Unsecured, credit impaired from related parties (refer note 34(ii)) | 829.29 | 834.87 |
| Less: Allowance for doubtful debts | (1,708.01) | (1,584.16) |
| Total Current Trade Receivables | 13,718.38 | 12,259.64 |

Ageing for trade receivables from the due date of payment for each of the category as at March 31, 2024:

₹ in Lakhs

| Outstanding for following periods from due date of payment | Undisputed Trade Receivables– Considered good | Undisputed Trade Receivables– Credit impaired | Disputed Trade Receivables– Considered good | Disputed Trade Receivables– Credit impaired |
|--|---|---|---|---|
| Not due | 9,190.35 | – | – | – |
| Less than 6 months | 3,841.15 | – | – | – |
| 6 months–1 year | 504.36 | 53.34 | – | – |
| 1-2 years | 182.52 | 1,018.77 | – | – |
| 2-3 years | 0.00* | 214.04 | – | – |
| More than 3 years | 0.00* | 783.61 | – | – |
| Total (A) | 13,718.38 | 2,069.76 | – | – |
| Less: Allowance for expected credit loss (B) | – | (2,069.76) | – | – |
| Total [(A)–(B)] | 13,718.38 | – | – | – |

* Amount less than ₹ 0.01 lakhs.

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended on March 31, 2024

Ageing for trade receivables from the due date of payment for each of the category as at March 31, 2023:

| ₹ in Lakhs | | | | |
|--|---|---|---|---|
| Outstanding for following periods from due date of payment | Undisputed Trade Receivables– Considered good | Undisputed Trade Receivables– Credit impaired | Disputed Trade Receivables– Considered good | Disputed Trade Receivables– Credit impaired |
| Not due | 5,899.49 | – | – | – |
| Less than 6 months | 5,607.19 | 101.75 | – | – |
| 6 months–1 year | 688.41 | 790.07 | – | – |
| 1-2 years | 64.55 | 211.62 | – | – |
| 2-3 years | – | 114.60 | – | – |
| More than 3 years | – | 727.87 | – | – |
| Total (A) | 12,259.64 | 1,945.91 | – | – |
| Less: Allowance for expected credit loss (B) | – | (1,945.91) | – | – |
| Total [(A)–(B)] | 12,259.64 | – | – | – |

Notes:

- The Company's exposure to credit risk and loss allowances related to trade receivables are disclosed in Note 40(a).
- The Company uses simplified approach for trade receivable for calculating expected credit loss. Accordingly the company does not track changes in credit risk of individual trade receivable.
- Refer Note 41 for receivables pledged as security against borrowings.

NOTE 9 : LOANS

| ₹ in Lakhs | | |
|------------------------------|----------------------|----------------------|
| Particulars | As at March 31, 2024 | As at March 31, 2023 |
| Current Loans | | |
| Loans to Employees | | |
| - Unsecured, considered good | 6.38 | 6.52 |
| Total Current Loans | 6.38 | 6.52 |

NOTE 10 : OTHER FINANCIAL ASSETS

| ₹ in Lakhs | | |
|---|----------------------|----------------------|
| Particulars | As at March 31, 2024 | As at March 31, 2023 |
| Other Non-current Financial Assets | | |
| Bank deposits with more than 12 months maturity | 45.71 | 4.35 |
| Deposit with Banks held as Margin Money | 801.63 | 804.10 |
| Security deposits–unsecured considered good | 373.03 | 345.34 |
| Total Other Non-current Financial Assets | 1,220.37 | 1,153.79 |
| Other Current Financial Assets | | |
| Security deposits–unsecured considered good | 90.70 | 93.82 |
| Total Other Current Financial Assets | 90.70 | 93.82 |

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended on March 31, 2024

NOTE 11 : INCOME TAX ASSETS AND LIABILITIES

| Particulars | ₹ in Lakhs | |
|--|-------------------------|-------------------------|
| | As at March 31, 2024 | As at March 31, 2023 |
| Income tax assets (Net) | | |
| Advance income-tax (net of Provision for Taxation) | 2,183.60 | 2,400.52 |
| Total Non-current Income tax assets | 2,183.60 | 2,400.52 |
| Income tax Liabilities (Net) | | |
| Provision for Taxation (net of Advance Tax) | 5,570.38 | 1,881.48 |
| Total Current Income tax liabilities | 5,570.38 | 1,881.48 |

NOTE 12 : OTHER ASSETS

| Particulars | ₹ in Lakhs | |
|---|-------------------------|-------------------------|
| | As at March 31, 2024 | As at March 31, 2023 |
| Other Non-current Assets | | |
| Unsecured considered good, unless stated otherwise | | |
| Capital Advances | 146.32 | 145.96 |
| Prepaid Expenses | 66.14 | 107.13 |
| Balance with government authorities | 1,053.39 | 1,026.48 |
| Total Other Non-current Assets | 1,265.85 | 1,279.57 |

| Particulars | ₹ in Lakhs | |
|---|-------------------------|-------------------------|
| | As at March 31, 2024 | As at March 31, 2023 |
| Other Current Assets | | |
| Unsecured considered good, unless stated otherwise | | |
| Prepaid Expenses | 1,121.13 | 1,222.44 |
| Right to Recover Returned Goods (Refer Note (1) below) | 94.95 | 96.75 |
| Balance with government authorities | 2,859.31 | 3,524.11 |
| Advances recoverable in cash or kind | 2,080.15 | 551.73 |
| Advances recoverable in cash or kind—considered doubtful | 3,610.01 | 3,610.01 |
| | 9,765.55 | 9,005.04 |
| Less: Provision for doubtful advances | (3,610.01) | (3,610.01) |
| Total Other Current Assets | 6,155.54 | 5,395.03 |

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.

NOTE 13 : INVENTORIES

| Particulars | ₹ in Lakhs | |
|---|-------------------------|-------------------------|
| | As at March 31, 2024 | As at March 31, 2023 |
| Inventories (lower of cost or net realisable value) | | |
| Raw Materials, Components and Packing Material (includes in transit ₹ 1,554.29 lakhs (March 31, 2023: ₹ 941.80 lakhs)) | 5,270.71 | 4,318.97 |
| Finished Goods (includes in transit: ₹ 513.99 (March 31, 2023: ₹ 355.62 Lakhs)) | 5,110.44 | 5,052.47 |
| Stock in Trade (includes in transit ₹ 1,286.86 lakhs (March 31, 2023: ₹ 216.31 Lakhs)) | 6,441.68 | 5,807.13 |
| Spares & Accessories (includes in transit: ₹ 25.89 lakhs (March 31, 2023: ₹ 157.99 Lakhs)) | 7,545.71 | 5,946.29 |
| | 24,368.54 | 21,124.86 |

Refer Note 41 for inventories pledged as security against borrowing.

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended on March 31, 2024

NOTE 14 : CASH AND CASH EQUIVALENTS AND OTHER BANK BALANCES

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks. 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 | ₹ in Lakhs | |
|---|-------------------------|-------------------------|
| | As at March 31, 2024 | As at March 31, 2023 |
| Balances with Banks in current accounts | 5,390.06 | 1,182.02 |
| Cheques, drafts on hand | 62.15 | 23.02 |
| Cash on hand | 95.63 | 24.59 |
| Deposits with original maturity of less than 3 Months * | 3.95 | 6.37 |
| Total Cash & cash equivalents | 5,551.79 | 1,236.00 |
| Bank Balances other than cash & cash equivalents | | |
| Deposits with original maturity of more than 12 months * | 6.97 | 62.20 |
| Deposits with original maturity of more than 3 months but less than 12 months * | 3,615.03 | 59.70 |
| Total Bank Balances other than cash & cash equivalents | 3,622.00 | 121.90 |
| Cash and cash equivalents as per cash flow statement | 5,551.79 | 1,236.00 |

* ₹ 84.09 lakhs of deposits lodged as a security with government authorities.

NOTE 15 : EQUITY SHARE CAPITAL

| Particulars | Number of shares | Share capital ₹ in Lakhs |
|----------------------------------|---------------------|-----------------------------|
| Authorised Share capital: | | |
| As at April 01, 2022 | 20,00,00,000 | 20,000.00 |
| Increase during the year | 5,00,00,000 | 5,000.00 |
| As at March 31, 2023 | 25,00,00,000 | 25,000.00 |
| Increase during the year | - | - |
| As at March 31, 2024 | 25,00,00,000 | 25,000.00 |

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-----------------------------|
| Issued and subscribed capital comprises: | | |
| 19,34,79,240 (Previous year: 19,34,79,240) fully paid equity shares of ₹ 10 each | 19,347.92 | 19,347.92 |
| Movement in equity share capital: | Number of shares | Share capital ₹ in Lakhs |
| As at April 01, 2022 | 19,34,79,240 | 19,347.92 |
| Increase during the year | - | - |
| As at March 31, 2023 | 19,34,79,240 | 19,347.92 |
| Increase during the year | - | - |
| As at March 31, 2024 | 19,34,79,240 | 19,347.92 |

- a. Fully paid equity shares have a par value of ₹ 10 each. 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 paid up equity shares held by the shareholders.

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended on March 31, 2024

b. Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Lunolux Limited, Cyprus (Holding Company) | 12,10,41,730 | 14,03,89,654 |
| Total as at the end of the year | 12,10,41,730 | 14,03,89,654 |

c. Details of shares held by each shareholder holding more than 5% shares:

| Particulars | As at March 31, 2024 | | As at March 31, 2023 | |
|------------------------------|--------------------------|---------------|--------------------------|---------------|
| | Number of shares held | % of holding | Number of shares held | % of holding |
| Lunolux Limited, Cyprus | 12,10,41,730 | 62.56% | 14,03,89,654 | 72.56% |
| India Discovery Fund Limited | 1,30,33,916 | 6.74% | 1,60,62,569 | 8.30% |
| Total | 13,40,75,646 | 69.30% | 15,64,52,223 | 80.86% |

d. Details of shareholdings by the Promoters of the Company:

| Promoter Name | As at March 31, 2024 | | As at March 31, 2023 | | % Change during the year |
|--|--------------------------|--------------|--------------------------|--------------|-----------------------------|
| | Number of shares held | % of holding | Number of shares held | % of holding | |
| Fully paid equity shares | | | | | |
| Lunolux Limited, Cyprus (Holding Company) | 12,10,41,730 | 62.56% | 14,03,89,654 | 72.56% | (10.00%) |

e. For the period of five years immediately preceding the date as at which the Balance Sheet is prepared:

i. Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash:

19,34,79,240 Equity shares of ₹ 10 each allotted as fully paid-up pursuant to Scheme of Arrangement approved by the Hon'ble National Company Law Tribunal on January 25, 2022.

ii. Aggregate number and class of shares allotted as fully paid up by way of bonus shares: Nil

iii. Aggregate number and class of shares bought back: Nil

NOTE 16 : OTHER EQUITY

| Particulars | ₹ in Lakhs | |
|--|-------------------------|-------------------------|
| | As at March 31, 2024 | As at March 31, 2023 |
| Retained earnings | | |
| Balance at beginning of year | 1,038.90 | (196.34) |
| Add/ (less): Profit/ (Loss) for the year | 9,156.85 | 1,708.02 |
| Other comprehensive income arising from re-measurement of defined benefit obligation, net of tax | (235.88) | (472.78) |
| Balance at end of the year | 9,959.87 | 1,038.90 |
| Securities Premium | | |
| Balance at beginning of the year | 3,87,063.43 | 3,87,063.43 |
| Add: Addition during the year | - | - |
| Balance at end of the year | 3,87,063.43 | 3,87,063.43 |
| Capital reserve | | |
| Balance at beginning of the year | 482.73 | 482.73 |
| Add: Addition during the year | - | - |
| Balance at end of the year | 482.73 | 482.73 |
| Employee stock option scheme reserve | | |
| Balance at beginning of the year | - | - |
| Add: Addition during the year | 3,448.76 | - |
| Balance at end of the year | 3,448.76 | - |
| Total Other Equity | 4,00,954.79 | 3,88,585.06 |

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended on March 31, 2024

Description of nature and purpose of reserves:

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.

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.

Capital Reserve

The Capital reserve has been created on cancellation of shares held by then existing shareholders of the company as per the composite scheme of arrangement approved by the national company Law tribunal on January 25, 2022.

Employee stock option scheme reserves

The share-based payments reserve is used to recognise the value of equity settled share-based payments provided to employees, including key management personnel, as part of their remuneration. Refer to Note 37 for further details of these plans.

NOTE 17 : BORROWINGS

| Particulars | ₹ in Lakhs | |
|--|-------------------------|-------------------------|
| | As at March 31, 2024 | As at March 31, 2023 |
| Non-current Borrowings | | |
| Secured – at amortised cost | | |
| Term loans | | |
| Banks–Rupee Term loan (Refer Note (a) below) | – | 2,466.48 |
| Total Non-current Borrowings | – | 2,466.48 |
| Current Borrowings | | |
| Secured – at amortised cost | | |
| Term loans | | |
| Banks–Rupee Term loan (Refer Note (a) below) | 2,491.97 | 2,500.00 |
| Loans repayable on demand | | |
| Banks–Cash credit/Buyers credit (Refer Note (b) below) | – | 7,113.78 |
| Total Current Borrowings | 2,491.97 | 9,613.78 |

- Rupee Term loan (RTL) from ICICI Bank amounting to ₹ 10,000.00 lakhs (Outstanding as on March 31, 2024 ₹ 2,500.00 lakhs (March 31, 2023: ₹ 5,000.00 lakhs)) carries interest rate of 1 year MCLR and secured against pari passu charge on tangible assets (Excluding vehicles and two wheelers purchased under Employee Benefit Scheme). The outstanding amount is payable in 4 equal quarterly instalment starting from June 19, 2024.
- Secured Short term borrowing from banks is secured by pari-passu charge on hypothecation of stock-in-trade and book debts and carries interest @ 7.50% p.a to 10.60% p.a. during FY 2023-24.
- No amount are pending to be utilised from the borrowings outstanding as on March 31, 2024.
- The Company has not been declared wilful defaulter by any bank or financial institution or other lender.

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended on March 31, 2024

NOTE 18 : TRADE PAYABLES

| Particulars | ₹ in Lakhs | |
|---|-------------------------|-------------------------|
| | As at March 31, 2024 | As at March 31, 2023 |
| Total outstanding dues of micro enterprises and small enterprises | 6,865.46 | 6,664.73 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises (Refer note below for dues to micro and small enterprises) | 12,127.30 | 13,734.57 |
| Trade payables to related parties (refer note 34(ii)) | 2,933.25 | 2,448.44 |
| Total Trade Payables | 21,926.01 | 22,847.74 |

Ageing for trade payables from the due date of payment for each of the category as at March 31, 2024:

| Outstanding for following periods from due date of payment | ₹ in Lakhs | | | |
|--|-----------------------|------------------------|---------------------|----------------------|
| | Undisputed dues- MSME | Undisputed dues-Others | Disputed dues- MSME | Disputed dues-Others |
| Not due | 6,864.83 | 10,330.64 | - | - |
| Less than 1 year | 0.63 | 4,520.05 | - | - |
| 1-2 years | - | 164.47 | - | - |
| 2-3 years | - | 22.08 | - | - |
| More than 3 years | - | 23.31 | - | - |
| Total | 6,865.46 | 15,060.55 | - | - |

Ageing for trade payables from the due date of payment for each of the category as at March 31, 2023:

| Outstanding for following periods from due date of payment | ₹ in Lakhs | | | |
|--|-----------------------|------------------------|---------------------|----------------------|
| | Undisputed dues- MSME | Undisputed dues-Others | Disputed dues- MSME | Disputed dues-Others |
| Not due | 6,661.99 | 10,786.40 | - | - |
| Less than 1 year | 2.74 | 5,124.96 | - | - |
| 1-2 years | - | 233.87 | - | - |
| 2-3 years | - | 2.01 | - | - |
| More than 3 years | - | 35.77 | - | - |
| Total | 6,664.73 | 16,183.01 | - | - |

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 | ₹ in Lakhs | |
|---|-------------------------|-------------------------|
| | As at March 31, 2024 | As at March 31, 2023 |
| (i) Principal amount remaining unpaid to MSME suppliers as on year end | 6,865.46 | 6,664.68 |
| (ii) Interest due on unpaid principal amount to MSME suppliers as on year end | - | 0.05 |
| (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 | - | 0.05 |
| (vi) The amount of interest due and payable to be disallowed under Income Tax Act, 1961 | - | 0.05 |

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended on March 31, 2024

NOTE 19 : OTHER CURRENT FINANCIAL LIABILITIES

| Particulars | ₹ in Lakhs | |
|--|-------------------------|-------------------------|
| | As at March 31, 2024 | As at March 31, 2023 |
| Interest free trade deposits | 5,141.23 | 4,580.01 |
| Others: | | |
| Dues to employees | 6,871.95 | 5,331.29 |
| Dues on account of customer rebate schemes and other contractual liabilities | 6,330.37 | 5,163.46 |
| Total Other Current Financial Liabilities | 18,343.55 | 15,074.76 |

NOTE 20 : LEASE LIABILITIES

| Particulars | ₹ in Lakhs | |
|-------------------------------|-------------------------|-------------------------|
| | As at March 31, 2024 | As at March 31, 2023 |
| Non-current Lease liabilities | 409.66 | 853.52 |
| Current Lease liabilities | 969.18 | 993.99 |

NOTE 21 : PROVISIONS

| Particulars | ₹ in Lakhs | |
|--|-------------------------|-------------------------|
| | As at March 31, 2024 | As at March 31, 2023 |
| Non-current Provisions | | |
| Employee benefits—compensated absences | 357.17 | 227.02 |
| Gratuity payable | — | — |
| Total Non-current Provisions | 357.17 | 227.02 |
| Current Provisions | | |
| Employee benefits—compensated absences | 77.94 | 28.11 |
| Gratuity payable | 336.83 | 519.92 |
| Other provisions | | |
| Warranties (Refer Note 33I(B)) | 1,852.09 | 1,787.28 |
| Others (Refer Note 33I(A)) | 51.25 | 51.25 |
| Total Current Provisions | 2,318.11 | 2,386.56 |

NOTE 22 : OTHER LIABILITIES

| Particulars | ₹ in Lakhs | |
|---|-------------------------|-------------------------|
| | As at March 31, 2024 | As at March 31, 2023 |
| Other Non-current Liabilities | | |
| Contract Liabilities—Income received in advance (Refer Note 33J) | 12,879.35 | 11,728.79 |
| Deductions from employees for company's assets | 271.33 | 469.15 |
| Total Other Non-current Liabilities | 13,150.68 | 12,197.94 |
| Other Current Liabilities | | |
| Contract liabilities—Income received in advance (Refer Note 33J) | 37,707.35 | 39,099.28 |
| Deductions from employees for company's assets | 846.43 | 836.64 |
| Advance from customers | 1,900.96 | 1,297.04 |
| Contract liabilities—Others | | |
| (Refer Note (a) below) | 305.42 | 29.63 |
| Refund liabilities (Refer Note (b) below) | 2,567.28 | 2,092.84 |
| Statutory liabilities (Contributions to PF, pension, ESIC, withholding taxes, VAT, GST, etc.) | 1,759.87 | 1,166.86 |
| Total Other Current Liabilities | 45,087.31 | 44,522.29 |

Notes:

- Contract liability pertains to deferred revenue arising as a separate performance obligation.
- 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.

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended on March 31, 2024

NOTE 23 : DEFERRED TAX BALANCES (NET)

| Particulars | ₹ in Lakhs | |
|--|-------------------------|-------------------------|
| | As at March 31, 2024 | As at March 31, 2023 |
| The following is the analysis of deferred tax (assets)/liabilities presented in the balance sheet: | | |
| Deferred tax assets | (1,830.50) | (1,528.09) |
| Deferred tax liabilities | 82,923.52 | 83,425.52 |
| Total Deferred tax balances (net) | 81,093.02 | 81,897.43 |

Refer Note 42 for detailed components of Deferred taxes balances.

NOTE 24 : REVENUE FROM OPERATIONS

| Particulars | ₹ in Lakhs | |
|--------------------------------------|------------------------------|------------------------------|
| | Year ended March 31, 2024 | Year ended March 31, 2023 |
| Sale of products | 1,56,813.97 | 1,44,724.55 |
| Sale of services | 61,558.96 | 62,835.47 |
| Other operating revenues | | |
| Scrap sales | 297.90 | 271.21 |
| Other | 251.80 | 210.65 |
| Total Revenue from operations | 2,18,922.63 | 2,08,041.88 |

NOTE 25 : OTHER INCOME AND OTHER GAINS/ (LOSSES)

| Particulars | ₹ in Lakhs | |
|---|------------------------------|------------------------------|
| | Year ended March 31, 2024 | Year ended March 31, 2023 |
| Other Income | | |
| Interest earned on financial assets that are not designated as at fair value through profit or loss: | | |
| Bank deposits (at amortised cost) | 182.43 | 33.13 |
| Interest Others | 8.18 | 2.41 |
| Interest income on financial assets at amortised cost | – | 0.34 |
| Rental Income from Operating Lease | 39.68 | 39.68 |
| Others | 124.13 | 203.05 |
| Total (A) | 354.42 | 278.61 |
| Other gains/(losses)–net | | |
| Gain on disposal of property, plant and equipment | 74.05 | 515.48 |
| Gain on disposal of Investments at FVTPL | 47.68 | 133.31 |
| Net foreign exchange gains | – | 8.00 |
| Net gain arising on financial assets measured at FVTPL | 367.21 | 80.33 |
| Gain on modification/disposal of Right of use assets | 9.58 | 26.23 |
| Total (B) | 498.52 | 763.35 |
| Total Other Income and other gains/ (losses) (A+B) | 852.94 | 1,041.96 |

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended on March 31, 2024

NOTE 26 : COST OF GOODS SOLD

| Particulars | ₹ in Lakhs | |
|--|------------------------------|------------------------------|
| | Year ended March 31, 2024 | Year ended March 31, 2023 |
| Raw Materials, Components and Packing Materials | | |
| Inventory at the beginning of the year | 4,318.97 | 4,752.20 |
| Less: Disclosed under exceptional item | — | (796.79) |
| Add: Purchases | 84,310.74 | 64,730.73 |
| | 88,629.71 | 68,686.14 |
| Less: Inventory at the end of the year | (5,270.71) | (4,318.97) |
| Cost of Raw Materials, Components and Packing Materials consumed | 83,359.00 | 64,367.17 |
| Purchases of stock-in-trade | 10,292.52 | 15,124.62 |
| Changes in inventories of finished goods, spares, stock-in-trade and work-in-progress | (2,291.94) | 6,750.47 |
| Less: Disclosed under exceptional item (Refer note 33T) | (1,268.93) | (1,705.01) |
| Total Changes in inventories of finished goods, spares, stock-in-trade and work-in-progress | (3,560.87) | 5,045.46 |

NOTE 27 : EMPLOYEE BENEFITS EXPENSE

| Particulars | ₹ in Lakhs | |
|---|------------------------------|------------------------------|
| | Year ended March 31, 2024 | Year ended March 31, 2023 |
| Salaries and Wages | 27,665.24 | 28,240.84 |
| Contribution to provident and other funds | 1,356.33 | 1,419.63 |
| Staff Welfare Expenses | 313.06 | 394.24 |
| Employee stock option scheme | 3,448.76 | — |
| Total Employee benefits expense | 32,783.39 | 30,054.71 |

NOTE 28 : FINANCE COSTS

| Particulars | ₹ in Lakhs | |
|---------------------------------------|------------------------------|------------------------------|
| | Year ended March 31, 2024 | Year ended March 31, 2023 |
| Interest on bank overdrafts and loans | 756.34 | 1,776.32 |
| Interest on Lease Liabilities | 188.75 | 177.12 |
| Other borrowing costs | 26.68 | 32.31 |
| Total Finance costs | 971.77 | 1,985.75 |

NOTE 29 : DEPRECIATION AND AMORTISATION EXPENSE

| Particulars | ₹ in Lakhs | |
|--|------------------------------|------------------------------|
| | Year ended March 31, 2024 | Year ended March 31, 2023 |
| Depreciation of property, plant and equipment | 1,570.45 | 1,892.17 |
| Depreciation of right of use assets | 1,215.07 | 1,091.26 |
| Amortisation of intangible assets | 2,526.97 | 2,545.00 |
| Total Depreciation and amortisation expense | 5,312.49 | 5,528.43 |

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended on March 31, 2024

NOTE 30 : OTHER EXPENSES

| Particulars | ₹ in Lakhs | |
|---|------------------------------|------------------------------|
| | Year ended March 31, 2024 | Year ended March 31, 2023 |
| Electricity Power and fuel | 255.21 | 255.09 |
| Rent | 509.54 | 717.92 |
| Repairs and Maintenance: | | |
| Building | 59.18 | 59.34 |
| Machinery | 27.58 | 37.53 |
| Others | 502.15 | 540.76 |
| Insurance | 535.13 | 571.68 |
| Advertisement | 8,658.52 | 7,602.72 |
| Selling and Sales Promotion | 12,018.99 | 11,397.17 |
| Freight, Forwarding and Delivery | 6,374.24 | 5,563.82 |
| Wages to contractual workers | 1,440.26 | 1,043.37 |
| Payment to Auditors (Refer details below) | 95.89 | 99.70 |
| Printing and Stationery | 101.89 | 111.67 |
| Communication cost | 750.59 | 1,183.81 |
| Travelling and Conveyance | 1,681.41 | 1,468.72 |
| Legal and Professional Fees | 1,387.57 | 4,721.05 |
| Vehicle Running Expenses | 345.99 | 853.01 |
| Rates and taxes, excluding taxes on income | 203.69 | 358.55 |
| Conference Expenses | 914.70 | 1,934.52 |
| Service Charges | 30,159.15 | 29,755.24 |
| Information Technology Expenses | 5,405.70 | 5,306.31 |
| Logistics Expenses | 1,974.53 | 1,886.40 |
| Other Establishment Expenses | 2,866.23 | 3,266.11 |
| Corporate Social Responsibility Expenses (Refer Note 33K) | 33.00 | 4.00 |
| Directors' Sitting Fees | 13.05 | 20.30 |
| Bad Debts/Advances Written-Off | 8.56 | 13.79 |
| Provision for Doubtful Debts / Advances | 123.85 | 1,217.83 |
| Commission to Directors | 385.00 | 291.50 |
| Net foreign exchange losses | 30.43 | - |
| Total Other expenses | 76,862.03 | 80,281.91 |
| Payment to Auditors | | |
| As Statutory auditor | | |
| For Audit fee (includes Limited Review fees) | 86.83 | 82.50 |
| For other services | 0.50 | 9.69 |
| For reimbursement of expenses | 1.56 | 1.76 |
| As Cost auditor | 7.00 | 5.75 |
| | 95.89 | 99.70 |

NOTE 31 : INCOME TAX RECOGNISED IN STATEMENT OF PROFIT AND LOSS

| Particulars | ₹ in Lakhs | |
|--|------------------------------|------------------------------|
| | Year ended March 31, 2024 | Year ended March 31, 2023 |
| Current tax | | |
| In respect of the current year | 3,887.91 | 1,829.01 |
| | 3,887.91 | 1,829.01 |
| Deferred tax | | |
| In respect of the current year | (804.42) | (843.04) |
| | (804.42) | (843.04) |
| Total income tax expense recognised in the current year | 3,083.49 | 985.97 |

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended on March 31, 2024

NOTE 32 : 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, 2024 ₹ in Lakhs | Year ended March 31, 2023 ₹ in Lakhs |
|---|--|--|
| Profit/(Loss) for the year attributable to equity share holders | 9,156.85 | 1,708.02 |
| Face value per equity shares | 10 | 10 |
| Weighted average number of equity shares used in the calculation of basic earnings per share (Nos.) | 19,34,79,240 | 19,34,79,240 |
| Weighted average number of equity shares used in the calculation of diluted earnings per share (Nos.) | 19,40,49,754 | 19,34,79,240 |
| Basic earnings per share (₹) | 4.73 | 0.88 |
| Diluted earnings per share (₹) | 4.72 | 0.88 |

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

| Particulars | Year ended March 31, 2024 ₹ in Lakhs | Year ended March 31, 2023 ₹ in Lakhs |
|---|--|--|
| Profit for the year attributable to owners of the Company | 9,156.85 | 1,708.02 |
| Weighted average number of equity shares for the purposes of basic earnings per share (quantity in numbers) | 19,34,79,240 | 19,34,79,240 |
| Add: Share deemed to be issued in respect of employee stock option scheme | 5,70,514 | - |
| Weighted average number of equity shares for the purposes of diluted earnings per share (quantity in numbers) | 19,40,49,754 | 19,34,79,240 |

NOTE 33 : ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS

33A Contingent liabilities and commitments (to the extent not provided for)

(a) Contingent liabilities:

- (i) Disputed Income Tax demands*—₹ 1,623.73 lakhs (previous year ₹ 1,706.29 lakhs)
- (ii) Disputed Central Excise demands—₹ 1,442.81 lakhs (previous year ₹ 1,442.81 lakhs)
- (iii) Disputed Sales Tax demands—₹ 3,389.89 lakhs (previous year ₹ 3,374.56 lakhs)
- (iv) Disputed Service Tax demands—₹ 858.03 lakhs (previous year ₹ 1,945.68 lakhs)
- (v) Disputed civil suit—₹ 90.84 lakhs (previous year—₹ 33.73 lakhs)
- (vi) Disputed claims against the company not acknowledged as debt ₹ 42.85 lakhs (Previous Year ₹ 42.85 lakhs)
- (vii) Disputed Goods and Services Tax demand—₹ 1,601.02 lakhs (previous year ₹ 877.39 lakhs)
- (viii) Disputed claims against the Company for certain Labour Law & related matters estimated at ₹ 42.50 lakhs (previous year ₹ 42.50 lakhs)

* 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 year. Based on the same, no additional provision is envisaged necessary as on March 31, 2024 in respect of earlier years and current year.

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended on March 31, 2024

(b) Commitments:

- (i) Estimated amount of contracts remaining to be executed on capital account and not provided for—₹ 491.73 lakhs (previous year ₹ 172.81 lakhs).
- (ii) Towards product performance guarantee ₹ 269.55 lakhs (previous year ₹ 272.69 lakhs)
- (iii) Towards service performance guarantee ₹ 65.28 lakhs (previous year ₹ 145.09 lakhs)

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.

33B a.) The company has given certain office / factory premises and moulds on operating lease basis. Details of which are as follows -

| Particulars | Building | | Plant and Machinery (Moulds) | |
|--------------------------|-------------------------|-------------------------|------------------------------|-------------------------|
| | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024 | As at March 31, 2023 |
| | ₹ in Lakhs | ₹ in Lakhs | ₹ in Lakhs | ₹ in Lakhs |
| Gross Amount | 481.49 | 481.49 | 35.66 | 35.66 |
| Accumulated Depreciation | 179.20 | 159.56 | 31.50 | 29.80 |
| Depreciation | 19.64 | 19.64 | 1.70 | 1.70 |

- b.) 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 ₹ 39.68/- Lakhs (Previous Year ₹ 39.68/- Lakhs) for Premises.

33C The Company is primarily engaged in the business of Health, Hygiene 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, 2024 | Year ended March 31, 2023 |
|----------------------------------|------------------------------|------------------------------|
| | ₹ in Lakhs | ₹ in Lakhs |
| India | 2,18,787.79 | 2,07,492.77 |
| Outside India | 134.84 | 549.11 |
| Total Revenue | 2,18,922.63 | 2,08,041.88 |

33D The Company did not have any material transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 during the current year and previous year.

33E The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall:

- (a) directly or indirectly lend or invest in other persons or entites identified in any manner whatsoever by or on behalf of the Company (Ultmate Beneficiaries) or
- (b) provide any guarantee, security or the like to or on behalf of the Ultmate Beneficiaries.

33F The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- (a) directly or indirectly lend or invest in other persons or entites identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or
- (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended on March 31, 2024

33G ₹1,600.82 Lakhs (Previous year ₹955.34 lakhs) revenue expenses incurred during the year on Research and Development has been charged to the respective heads of accounts.

33H There are no scheme of arrangements which have been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 during the current year.

33I Disclosures required by Indian Accounting Standard 37 “Provisions, Contingent Liabilities and Contingent Assets”.

A)

| Particulars | Year ended March 31, 2024 | | Year ended March 31, 2023 | |
|-------------------------------|---------------------------|------------|---------------------------|------------|
| | ₹ in Lakhs | ₹ in Lakhs | ₹ in Lakhs | ₹ in Lakhs |
| | Excise Duty | Sales Tax | Excise Duty | Sales Tax |
| At the beginning of the year | 49.96 | 1.29 | 49.96 | 1.29 |
| Add: Movement during the year | – | – | – | – |
| 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, 2024 | Year ended March 31, 2023 |
|-----------------------------------|------------------------------|------------------------------|
| | ₹ in Lakhs | ₹ in Lakhs |
| At the beginning of the year | 1,787.28 | 1,786.61 |
| Add: Additions during the year* | 1,852.09 | 1,787.28 |
| Less: Utilization during the year | (1,787.28) | (1,786.61) |
| At the end of the year | 1,852.09 | 1,787.28 |

*Included in Service Charges under Other Expenses.

33J 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 year Management believes that 75% pertaining to remaining obligation as of the year ended 31 March 2024 will be recognised as revenue during the next financial year, 20% will be recognized as revenue in FY 25-26 and 5% will be recognised in FY 26-27.

Reconciliation of Revenue Recognised with contract price:

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|------------------------------|------------------------------|
| | ₹ in Lakhs | ₹ in Lakhs |
| Contract Price * | 2,19,198.20 | 2,05,842.08 |
| Adjustment for | | |
| Less: | | |
| Refund Liabilities–Sales Return estimate | 211.52 | 215.00 |
| Performance Liabilities | 305.42 | 29.63 |
| Unperformed performance obligation at the end the year | 50,586.70 | 50,828.07 |
| Unperformed performance obligation at the beginning of the year | (50,828.07) | (53,272.50) |
| Revenue from continuing operations | 2,18,922.63 | 2,08,041.88 |

* Net of Taxes

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended on March 31, 2024

33K Corporate social responsibility expenditure:-

| Particulars | Year ended March 31, 2024 | | | Year ended March 31, 2023 | | |
|---|---------------------------|-----------------------|--------------|---------------------------|-----------------------|--------------|
| | ₹ in Lakhs | | | ₹ in Lakhs | | |
| a) Gross amount required to be spent by the company | | | 33.00 | | | 4.00 |
| b) Amount spent during the year on: | 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 | 33.00 | - | 33.00 | 4.00 | - | 4.00 |

33L The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year or previous financial year.

33M The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.

33N The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act read with Companies (Restriction on number of Layers) Rules, 2017.

33O The Company does not have any investment property during any reporting period, the disclosure related to fair value of investment property is not applicable.

33P The Company is not covered under Section 8 of the Companies Act, thus related disclosure is not applicable.

33Q The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come in to effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period when the Code becomes effective.

33R The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

33S Impairment testing of goodwill and intangible assets with indefinite useful life:

The Group has identified its business of Health, Hygiene products and its Services as a single Cash Generating Unit (CGU).

The recoverable amount of the CGU has been calculated based on its value in use, estimated as the present value of projected future cash flows.

The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources. 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.

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended on March 31, 2024

The key assumptions used in the estimation of the recoverable amount are set out below:

| Particulars | March 31, 2024 |
|----------------------------|----------------|
| Discount rate | 11.57% |
| Terminal value growth rate | 5.50% |

The discount rate was derived basis the weighted-average cost of capital of debt and equity.

The cash flow projections included specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate was determined based on management's estimate of the longterm EBITDA growth rate, consistent with the assumptions that a market participant would make. Budgeted EBITDA was estimated taking into account past experience, adjusted for future expectations.

The company has performed a sensitivity analysis and has concluded that there are no reasonably possible changes to key assumptions that would cause the carrying amount of a CGU to exceed its recoverable amount.

- 33T** (a) Exceptional items for the year ended March 31, 2024 amounting to ₹ 1,514.90 lakhs pertains to the following:
An amount of ₹ 1,514.90 lakhs (including GST) for the quarter and year ended March 31, 2024 which is charged to Statement of Profit & Loss, on account of a fire at its Delhi warehouse location, resulting in damage to inventory, including raw materials, components, and finished goods. An insurance claim has been filed to cover the losses sustained from this incident.
- (b) Exceptional items for the year ended March 31, 2023 amounting to ₹ 4,001.80 lakhs pertains to the following:
An amount of ₹ 2,501.80 lakhs for the year ended March 31, 2023, which is charged to Statement of Profit & Loss, on account of phasing out of certain non-moving models and product including its raw material and components, due to change in economic conditions and technological obsolescence. An amount of ₹ 1,500.00 lakhs which represents stamp duty paid / payable for transfer of title of immovable property in the name of the Company pursuant to the Scheme of Arrangement for merger of Aquagnis Technologies Private Limited and Euro Forbes Financial Services Limited into erstwhile Eureka Forbes Limited, followed by the merger of erstwhile Eureka Forbes Limited into Forbes & Company Limited and demerger of demerged undertaking (as defined in the scheme) of Forbes & Company Limited into the Company.

33U Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option or appreciation right, volatility and dividend yield and making assumptions about them. For the measurement of the fair value of equity-settled transactions with employees at the grant date, the Company uses a Black Scholes model and Monte-Carlo simulation model basis the type of option granted. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 37.

- 33V** Figures for the previous year are re-arranged/regrouped, wherever necessary, to correspond with the current year disclosure.

- 33W** The Financial Statements for the year ended March 31, 2024 were approved for issue by Company's Board of Directors on May 28, 2024.

34 Additional information to the financial statements for the year ended 31 March 2024

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended on March 31, 2024

(I) Related Party Disclosures as at and for the year ended 31 March 2024

| Particulars | Country |
|---|---------|
| A Holding Company | |
| 1 Lunolux Limited (Ultimately controlled and 100% owned by funds managed by Advent International Corporation ("AIC")) | Cyprus |
| B Subsidiaries | |
| 1 Forbes Aquatech Limited | India |
| 2 Infinite Water Solutions Limited | India |
| 3 Forbes Lux FZE–Dubai | Dubai |
| 4 Euro Forbes Limited–Dubai | Dubai |
| C Name of Post employment benefit plans with whom transactions were carried out during the year: | |
| 1 Eureka Forbes Limited Employees Provident Fund | India |
| 2 Eureka Forbes Limited Managing Staff Superannuation Scheme | India |
| 3 Eureka Forbes Limited Employees Gratuity Fund | India |
| D Key Managerial Personnel | |
| 1 Mr. Arvind Uppal–Non executive director | |
| 2 Mr. Pratik R Pota- Managing director & CEO | |
| 3 Mr. Homi Katgara –Non executive Independent director | |
| 4 Mr. Vinod Rao–Non executive Independent director | |
| 5 Mrs. Gurveen Singh–Non executive Independent director | |
| 6 Mr. Shashank Samant–Non executive Independent director | |
| 7 Mr. Sahil Dalal–Non executive director | |

(II) Transactions with Related Parties for the year ended 31 March 2024

| ₹ in Lakhs | | | | | | |
|---|-------------------------|--|----------------|--|--|---|
| Nature of Transaction | Forbes Aquatech Limited | Infinite Water Solutions Private Limited | Forbes Lux FZE | Eureka Forbes Limited Employees Provident Fund | Eureka Forbes Limited Managing Staff Superannuation Scheme | Eureka Forbes Limited Employees Gratuity Fund |
| Purchases | | | | | | |
| Goods and Materials | 409.24 | 5,435.47 | – | – | – | – |
| Job work charges | 131.17 | – | – | – | – | – |
| | 540.41 | 5,435.47 | – | – | – | – |
| Sales / (Sales Return) | | | | | | |
| Goods and Materials | 42.57 | 210.42 | – | – | – | – |
| | 42.57 | 210.42 | – | – | – | – |
| Expenses | | | | | | |
| Contributions (Employer's) to Post Retirement Funds | – | – | – | 1,564.08 | 187.43 | 714.11 |
| Income | | | | | | |
| Rent and other services | 0.18 | 39.50 | – | – | – | – |
| | 0.18 | 39.50 | – | – | – | – |
| Other Receipts | | | | | | |
| Other Reimbursements | – | 46.62 | – | – | – | – |
| Outstanding | | | | | | |
| Trade Payables | 206.25 | 2,718.10 | 8.90 | – | – | – |
| Trade Receivables | – | – | 829.29 | – | – | – |

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended on March 31, 2024

₹ in Lakhs

| Nature of Transaction | Forbes Aquatech Limited | Infinite Water Solutions Private Limited | Forbes Lux FZE | Eureka Forbes Limited Employees Provident Fund | Eureka Forbes Limited Managing Staff Superannuation Scheme | Eureka Forbes Limited Employees Gratuity Fund |
|------------------------------------|-------------------------|--|----------------|--|--|---|
| Less: Allowance for doubtful debts | - | - | (829.29) | - | - | - |
| Other payables to the Trust | - | - | - | 98.41 | 13.02 | 347.59 |
| Other Deposits Payable | 0.10 | 7.48 | - | - | - | - |

All transaction with these related parties are priced on an arm's length basis.

Terms and conditions:-

- 1) All outstanding 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 provision for doubtful debts related to amounts owed by related parties except as stated above.

(III) Transaction with Related Parties for the year ended 31 March 2024

Parties in D : Key Managerial Personnel Remuneration

Managing Director & CEO

₹ in Lakhs

| Particulars | Pratik R Pota |
|------------------------------|---------------|
| Short-term employee benefits | 647.38 |
| Post-employment benefits * | 22.92 |
| Share -based payments # | - |
| Total | 670.30 |

*The above amounts do not include expenses for gratuity and leave encashment since actuarial valuation is carried out at an overall level.

The company has recognised an expense provision of ₹2,142.36 Lakhs. (previous year Nil) towards employee stock options granted to key managerial personnel. The said amount represent fair value of option granted. The same has not been considered as managerial remuneration for the current year as defined under section 2(7B) of the Companies Act,2013 as the options have not been vested.

Aggregate remuneration paid/payable to managing director & CEO does not exceed the limit prescribed under section 197 of companies act, 2013.

Directors Sitting Fees and Commission

₹ in Lakhs

| Name | Amount | Outstanding Amount as at March 31, 2024 |
|---------------------|---------------|---|
| Mr. Homi Katgara | 29.55 | 27.40 |
| Mr. Arvind Uppal | 29.55 | 27.40 |
| Mr. Vinod Rao | 29.90 | 27.40 |
| Mrs. Gurveen Singh | 29.50 | 27.40 |
| Mr. Shashank Samant | 29.55 | 27.40 |
| Total | 148.05 | 137.00 |

Aggregate remuneration paid/payable to non-whole time directors does not exceeds the limit prescribed under section 197 of companies act, 2013.

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended on March 31, 2024

Additional information to the financial statements

Related Party Disclosures as at and for the year ended 31 March 2023

| Particulars | Country |
|--|---------|
| A Holding Company | |
| 1 Lunolux Limited (Ultimately controlled and 100% owned by funds managed by Advent International Corporation ("AIC")) (w.e.f April 25, 2022) | Cyprus |
| B Entities with joint control or significant influence over the entity | |
| 1 Shapoorji Pallonji and Company Private Ltd (upto April 25, 2022) | India |
| 2 Lunolux Limited (upto April 25, 2022) | Cyprus |
| C Subsidiaries | |
| 1 Forbes Aquatech Limited | India |
| 2 Infinite Water Solutions Limited | India |
| 3 Forbes Lux FZE–Dubai | Dubai |
| 4 Euro Forbes Limited–Dubai | Dubai |
| D Name of Post employment benefit plans with whom transactions were carried out during the year: | |
| 1 Eureka Forbes Limited Employees Provident Fund | India |
| 2 Eureka Forbes Limited Managing Staff Superannuation Scheme | India |
| 3 Eureka Forbes Limited Employees Gratuity Fund | India |
| E Key Managerial Personnel | |
| 1 Mr. Arvind Uppal–Non executive director (w.e.f. April 26, 2022) | |
| 2 Mr. Pratik R Pota- Managing director & CEO (w.e.f August 16, 2022) | |
| 3 Mr. Marzin R. Shroff–Managing director & CEO (upto August 15, 2022) | |
| 4 Mr. Homi Katgara –Non executive Independent director | |
| 5 Mr. Anil Kamath–Non executive Independent director (upto April 26, 2022) | |
| 6 Mr. D. Sivanandhan–Non executive Independent director (upto April 26, 2022) | |
| 7 Dr. Indu Shahani–Non executive Independent director (upto April 26, 2022) | |
| 8 Mr. Jai Mavani–Non executive director (upto April 26, 2022) | |
| 9 Mr. Pallon Shapoor Mistry–Non executive director (upto April 26, 2022) | |
| 10 Mr. Vinod Rao–Non executive Independent director (w.e.f. April 26, 2022) | |
| 11 Ms. Gurveen Singh–Non executive Independent director (w.e.f. April 26, 2022) | |
| 12 Mr. Shashank Samant–Non executive Independent director (w.e.f. October 10, 2022) | |
| 13 Mr. Sahil Dalal–Non executive director (w.e.f. April 26, 2022) | |
| 14 Mr. Shapoorji Mistry–Non executive director (upto April 26, 2022) | |
| 15 Mr. Shankar Subramanian–Non executive director (upto April 26, 2022) | |
| F Enterprises under Common Control–(where there are transactions) | |
| Afcons Infrastructure Ltd. (upto April 25, 2022) | India |
| Jaykali Developers Pvt. Ltd (upto April 25, 2022) | India |
| SD Corporation Private Limited (upto April 25, 2022) | India |

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended on March 31, 2024

(III) Transactions with Related Parties for the year ended 31 March 2023

| Nature of Transaction | Forbes Aquatech Limited | Infinite Water Solutions Private Limited | Forbes Lux FZE | Shapoorji Pallonji and Company Private Ltd | Afcons Infrastructure Ltd. | Jaykali Developers Pvt. Ltd | SD Corporation Private Limited | Eureka Forbes Limited Employees Provident Fund | Eureka Forbes Limited Superannuation Scheme | Eureka Forbes Limited Employees Gratuity Fund |
|---|-------------------------|--|----------------|--|----------------------------|-----------------------------|--------------------------------|--|---|---|
| Purchases | | | | | | | | | | |
| Goods and Materials | 287.88 | 5,164.18 | - | - | - | - | - | - | - | - |
| Job work charges | 155.82 | - | - | - | - | - | - | - | - | - |
| | 443.70 | 5,164.18 | - | - | - | - | - | - | - | - |
| Sales / (Sales Return) | | | | | | | | | | |
| Goods and Materials | 40.24 | 0.78 | 285.72 | 0.05 | 0.17 | - | - | - | - | - |
| Services Rendered | - | 0.22 | - | - | 0.08 | 0.02 | 0.34 | - | - | - |
| | 40.24 | 1.00 | 285.72 | 0.05 | 0.25 | 0.02 | 0.34 | - | - | - |
| Provision for Doubtful Debts | - | - | 834.87 | - | - | - | - | - | - | - |
| Expenses | | | | | | | | | | |
| Contributions (Employer's) to Post Retirement Funds | - | - | - | - | - | - | - | 1,387.34 | 205.41 | 463.77 |
| Income | | | | | | | | | | |
| Rent and other services | 0.18 | 39.50 | - | - | - | - | - | - | - | - |
| | 0.18 | 39.50 | - | - | - | - | - | - | - | - |
| Other Receipts | | | | | | | | | | |
| Other Reimbursements | - | 28.74 | - | - | - | - | - | - | - | - |
| Outstanding | | | | | | | | | | |
| Trade Payables | 105.49 | 2,331.41 | 11.54 | - | - | - | - | - | - | - |
| Trade Receivables | - | - | 834.87 | - | - | - | - | - | - | - |
| Other payables to the Trust | - | - | - | - | - | - | - | 84.79 | 36.10 | 530.68 |
| Other Deposits payable | 0.10 | 7.48 | - | - | - | - | - | - | - | - |

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended on March 31, 2024

(III) Transactions with Related Parties for the year ended 31 March 2023

Parties in D : Key Managerial Personnel Remuneration

Managing Director & CEO

| Particulars | ₹ in Lakhs | |
|------------------------------|-----------------|---------------|
| | Marzin R Shroff | Pratik R Pota |
| Short-term employee benefits | 120.81 | 699.79 |
| Post-employment benefits * | 3.95 | 14.35 |
| Long-term employee benefits | 4.94 | - |
| Total | 129.70 | 714.14 |

*The above amounts do not include expenses for gratuity and leave encashment since actuarial valuation is carried out at an overall level.

Company has paid/provided for managerial remuneration which exceeds the limits / approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013 aggregating ₹ 600.00 Lakhs as at March 31, 2023. The excess remuneration is subject to the approval of shareholders. Pending such approval, the remuneration already paid in excess of the limit is being held in the trust.

Directors Sitting Fees and Commission

| Name | Amount | ₹ in Lakhs |
|---------------------------|---------------|---|
| | | Outstanding Amount as at March 31, 2023 |
| Mr. Anil Kamath | 1.00 | - |
| Mr. D. Sivanandhan | 1.00 | - |
| Dr. Indu Shahani | 1.50 | - |
| Mr. Homi Katgara | 28.90 | 24.75 |
| Mr. Jai Mavani | 0.20 | - |
| Mr. Shankar Krishnan | 0.20 | - |
| Mr. Pallon Shapoor Mistry | 0.20 | - |
| Mr. Arvind Uppal | 28.10 | 24.75 |
| Mr. Vinod Rao | 28.70 | 24.75 |
| Mrs. Gurveen Singh | 28.70 | 24.75 |
| Mr. Shashank Samant | 23.30 | 22.50 |
| Total | 141.80 | 121.50 |

Aggregate remuneration payable to non-whole time directors exceeds the limit prescribed under section 197 by ₹ 72.73 lakhs and is subject to shareholders approval. The company has charged off the excess remuneration payable in the Statement of Profit and loss account for the year ended March 31, 2023.

NOTE 35 : LEASES

The break-up of current and non-current lease liabilities as at March 31, 2024 is:

| Particulars | ₹ in Lakhs | |
|-------------------------------|----------------------|----------------------|
| | As at March 31, 2024 | As at March 31, 2023 |
| Current lease liabilities | 969.18 | 993.99 |
| Non-current lease liabilities | 409.66 | 853.52 |
| Total | 1,378.84 | 1,847.51 |

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended on March 31, 2024

The following is the movement in lease liabilities during the year ended March 31, 2024:

| Particulars | ₹ in Lakhs | |
|---|------------------------------|------------------------------|
| | Year ended March 31, 2024 | Year ended March 31, 2023 |
| Balance at the beginning of the year | 1,847.51 | 1,311.70 |
| Additions | 549.50 | 1,947.82 |
| Finance cost accrued during the year | 188.75 | 177.12 |
| Deletions | (87.75) | (337.89) |
| (Gain)/Loss on Modification/Disposal of Right of use assets | (9.58) | (26.23) |
| Payment of lease liabilities | (1,375.48) | (1,225.01) |
| Adjustment | 265.89 | – |
| Balance at the end of the year | 1,378.84 | 1,847.51 |

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2024 on an undiscounted basis:

| Particulars | ₹ in Lakhs | |
|----------------------|-------------------------|-------------------------|
| | As at March 31, 2024 | As at March 31, 2023 |
| Less than one year | 969.18 | 1,123.37 |
| One to five years | 603.38 | 898.67 |
| More than five years | 10.46 | 31.28 |
| Total | 1,583.02 | 2,053.32 |

Rental expense recorded for short-term leases was ₹ 509.54 Lakhs for the year ended March 31, 2024. (Previous Year: ₹ 717.92 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 the company'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 statement of profit and loss

| Particulars | ₹ in Lakhs | |
|---|------------------------------|------------------------------|
| | Year ended March 31, 2024 | Year ended March 31, 2023 |
| Depreciation expense on right-of-use assets | 1,215.07 | 1,091.26 |
| Interest expense on lease liabilities | 188.75 | 177.12 |
| Expense relating to short-term leases | 509.54 | 717.92 |

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended on March 31, 2024

NOTE 36 : EMPLOYEE BENEFIT PLANS

(a) Provident Fund

The details of Eureka Forbes Limited Employees' Provident Fund and planned assets position as at March 31, 2024 is given below:

| Particulars | Valuation as at | |
|---|-----------------|----------------|
| | March 31, 2024 | March 31, 2023 |
| | ₹ in Lakhs | ₹ in Lakhs |
| Present value of benefit obligation at year end | 15,950.48 | 15,391.19 |
| Planned Assets at the year end | 18,877.41 | 17,885.23 |
| Discounting Rate | 7.22% | 7.50% |
| Expected Guaranteed interest rate | 8.25% | 8.15% |
| Average Expected Future Service | 16 years | 14 years |

(b) Gratuity Fund

The principal assumptions used for the purposes of the actuarial valuations were as follows.

| Particulars | Valuation as at | |
|-------------------------------------|--|--|
| | March 31, 2024 | March 31, 2023 |
| Discount rate(s) | 7.22% | 7.50% |
| Expected rate(s) of salary increase | 5.00% | 4.50% |
| Mortality rates | Indian Assured Lives Mortality 2012-14 (Urban) | Indian Assured Lives Mortality 2012-14 (Urban) |

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, 2024 | Year ended March 31, 2023 |
|---|---------------------------|---------------------------|
| | ₹ in Lakhs | ₹ in Lakhs |
| Service cost: | | |
| Current service cost | 176.18 | 142.50 |
| Past service cost and (gain)/loss from settlements | — | — |
| Expected Returns on plan assets | — | — |
| Net interest expense | 39.80 | 14.81 |
| Components of defined benefit costs recognised in profit or loss | 215.98 | 157.31 |
| Remeasurement on the net defined benefit liability: | | |
| Return on plan assets (excluding amounts included in net interest expense) | (33.58) | 40.55 |
| Actuarial (gains) / losses arising from changes in demographic assumptions | — | — |
| Actuarial (gains) / losses arising from changes in financial assumptions | 107.56 | 35.64 |
| Actuarial (gains) / losses arising from experience adjustments | 241.06 | 555.60 |
| Others | — | — |
| Components of defined benefit costs recognised in other comprehensive income | 315.04 | 631.79 |
| Total | 531.02 | 789.10 |

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.

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended on March 31, 2024

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows.

| Particulars | March 31, 2024 | March 31, 2023 |
|--|-----------------|-----------------|
| | ₹ in Lakhs | ₹ in Lakhs |
| Present value of funded defined benefit obligation | (1,993.97) | (2,144.19) |
| Fair value of plan assets | 1,657.14 | 1,624.27 |
| Funded status | (336.83) | (519.92) |
| Restrictions on asset recognised | — | — |
| Others | — | — |
| Net liability arising from defined benefit obligation | (336.83) | (519.92) |

Movements in the present value of the defined benefit obligation are as follows:

| Particulars | March 31, 2024 | March 31, 2023 |
|--|-----------------|-----------------|
| | ₹ in Lakhs | ₹ in Lakhs |
| Opening defined benefit obligation | 2,144.19 | 2,058.57 |
| Current service cost | 176.18 | 142.50 |
| Interest cost | 160.05 | 148.10 |
| Remeasurement (gains)/losses: | | |
| Actuarial gains and losses arising from changes in demographic assumptions | — | — |
| Actuarial gains and losses arising from changes in financial assumptions | 107.56 | 35.64 |
| Actuarial gains and losses arising from experience adjustments | 241.06 | 555.60 |
| Others [describe] | — | — |
| Past service cost, including losses/(gains) on curtailments | — | — |
| Liabilities Transferred In/Acquisition | — | 0.46 |
| Liabilities assumed in a business combination | — | — |
| Exchange differences on foreign plans | — | — |
| Benefits paid | (835.07) | (796.68) |
| Others [benefits paid directly by employer] | — | — |
| Closing defined benefit obligation | 1,993.97 | 2,144.19 |

Movements in the fair value of the plan assets are as follows.

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|--|------------------------------|------------------------------|
| | ₹ in Lakhs | ₹ in Lakhs |
| Opening fair value of plan assets | 1,624.27 | 1,864.45 |
| Interest income | 120.25 | 133.28 |
| Remeasurement gain (loss): | | |
| Return on plan assets (excluding amounts included in net interest expense) | 33.58 | (40.55) |
| Contributions from the employer | 714.11 | 463.77 |
| Assets Transferred In/Acquisition | — | — |
| Benefits paid | (835.07) | (796.68) |
| Other | — | — |
| Closing fair value of plan assets | 1,657.14 | 1,624.27 |

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended on March 31, 2024

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 | |
|-----------------------------|--------------------------------|-----------------|
| | March 31, 2024 | March 31, 2023 |
| | ₹ in Lakhs | ₹ in Lakhs |
| Government Of Indian Assets | 296.82 | 561.32 |
| State Government Securities | 317.64 | 131.74 |
| Special Deposit Scheme | 41.03 | 41.03 |
| Debt Instrument | 712.35 | 516.58 |
| Corporate Bond | 104.05 | 297.50 |
| Cash and cash equivalents | 87.13 | – |
| Others | 20.97 | 20.96 |
| Mutual Funds | 77.15 | 55.14 |
| Total | 1,657.14 | 1,624.27 |

Maturity Analysis of the Benefits Payments from the Fund

| Particulars | March 31, 2024 | March 31, 2023 |
|---|----------------|----------------|
| | ₹ in Lakhs | ₹ in Lakhs |
| Projected Benefits payable in future years from the date of reporting | | |
| 1st Following Year | 187.39 | 184.63 |
| 2nd Following Year | 141.56 | 151.11 |
| 3rd Following Year | 183.65 | 177.76 |
| 4th Following Year | 256.11 | 236.15 |
| 5th Following Year | 195.44 | 314.41 |
| Sum of years 6 to 10 | 763.88 | 930.01 |
| Sum of years 11 and above | 2,121.07 | 2,144.35 |

Sensitivity Analysis

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|------------------------------|------------------------------|
| | ₹ in Lakhs | ₹ in Lakhs |
| Presented benefit obligation on current assumptions | 1,983.76 | 2,133.99 |
| Discount rate (1% increase) | (133.63) | (138.49) |
| Discount rate (1% decrease) | 152.92 | 157.52 |
| Future salary growth (1% increase) | 154.80 | 160.71 |
| Future salary growth (1% decrease) | (137.49) | (143.50) |
| Attrition movement (1% increase) | 22.23 | 33.84 |
| Attrition movement (1% decrease) | (25.24) | (37.95) |

The sensitivity analysis 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.

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the defined 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 year.

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended on March 31, 2024

NOTE 37 : EMPLOYEE SHARE OPTION SCHEME EXPENSES

A Employees Stock Option Plan (ESOP 2022)

The Company instituted an Employee Stock Option Scheme 2022 ("ESOP") for certain employees which provides for a grant of 1,75,21,597 options (each option convertible into shares) to employees. During the year, company has made grant of total 1,56,79,262 options.

The first grant was made on May 29, 2023 for 1,35,95,130 shares, second grant was made on June 21, 2023 for 13,54,685 options, third grant was made on November 09, 2023 for 4,54,994 options and fourth grant was made on March 21, 2024 for 2,74,453 options."

Scheme Details

The Company has granted two categories of ESOP. The detail of options granted under the plan are as under:

Terms of Category 1 (Service based) options

9,79,972 tenure based options to vest as under:

| Vesting period | Type 1 | Type 2 |
|------------------------------------|---|--|
| | On completion of 1 year period | 55% on completion of 1 year period and 45% on completion on 2nd Year |
| Grant date | May 29, 2023 | May 29, 2023 |
| Exercise price | 210 | 400.93 |
| No. of Options | 9,67,396 | 12,576 |
| Exercise period | Maximum period of 4 years from the date of Vesting. | |
| Method of settlement (cash/equity) | Equity shares | |

The fair value of the share options is estimated at the grant date using Black Scholes Option Pricing ("BSOP") method, taking into account the terms and conditions upon which the share options were granted.

Terms of Category 2 (Performance based) options

14,699,290 tenure and performance based options to vest only upon the following conditions being met

- If 6 months Volume weighted average price of the share (VWAP) > 2.5x/ 3x/ 4.5x USD Multiple of Money (MoM) then employee will get variable number of ESOP depending on various range of MoM. (Range- minimum 2.5X MoM till more than 5X MoM)
- If investor sales the stake and Internal Rate of Return (IRR)/ MoM /VWAP achieved, employee will get variable number of ESOP which will vest in proportion to stake sale and range of MoM/ IRR.

| Grant date | May 29, 2023 | May 29, 2023 | June 21, 2023 | June 21, 2023 | November 09, 2023 | March 21, 2024 |
|------------------------------------|---|------------------|-------------------|------------------|-------------------|-----------------|
| Exercise price | 210 | 400.93 | 210 | 586.09 | 505.06 | 446.8 |
| No. of Options | Minimum - 4281697; | Minimum -379726; | Minimum - 779000; | Minimum- 469813; | Minimum- 384413 | Minimum- 244254 |
| | Maximum - 9927421 | Maximum- 2687737 | Maximum- 804719 | Maximum- 549966 | Maximum- 454994 | Maximum- 274453 |
| Vesting Period | Maximum period of vesting is 7 years from the date of Grant | | | | | |
| Exercise period | Maximum period of 4 years from the date of Vesting. | | | | | |
| Method of settlement (cash/equity) | Equity shares | | | | | |

The fair value of the share options is estimated at the grant date using Monte Carlo Simulation Pricing ("MCS") method so as to evaluate whether the performance conditions have been achieved.

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended on March 31, 2024

The details of the activity has been summarised below:

| Description | March 31, 2024 |
|--|----------------|
| Outstanding at the beginning of the year | – |
| Exercisable at the beginning of the year | – |
| Granted during the year * | 1,56,79,262 |
| Forfeited during the year | -3,82,781 |
| Exercised during the year | – |
| Vested during the year | – |
| Expired during the period | – |
| Transferred during the period | – |
| Outstanding at the end of the year | 1,52,96,481 |
| Exercisable at the end of the year | – |
| Weighted average remaining contractual life (in years) | 3.36 years |

*Considering variable number of options, the maximum number of options are considered for the purpose of disclosure.

Valuation of ESOP Scheme

The Black Scholes valuation model has been used for computing the weighted average fair value for Category 1 stock options considering the following inputs:

| Particulars | March 31, 2024 |
|--|---------------------|
| Grant date | May 29, 2023 |
| Weighted average share price/ market price per share (₹ per share) | 401.10 |
| Exercise price (₹ per share) | 210-400.9 |
| Dividend yield | 1.80% |
| Expected Life of options granted (vesting and exercise price in years) | 1- 2 years |
| Average risk free interest rate | 6.7%–6.8% |
| Expected Volatility | 25.2%–27.6% |
| Fair value of option per equity share | 49.1–197.90 |

The Monte Carlo Simulation Pricing (“MCS”) method has been used for computing the fair value for Category 2 stock options considering the following inputs:

| Particulars | March 31, 2024 | | | |
|--|---------------------|----------------------|--------------------------|-----------------------|
| Grant date | May 29, 2023 | June 21, 2023 | November 09, 2023 | March 21, 2024 |
| Weighted average share price/ market price per share (₹ per share) | 401.10 | 587.40 | 500.30 | 449.50 |
| Exercise price (₹ per share) | 210-400.9 | 210-586 | 505.10 | 446.80 |
| Dividend yield | 1.80% | 1.80% | 2.00% | 2.00% |
| Expected Life of options granted (in years) | 4.9–7 | 4.85 | 4.46 | 4.10 |
| Average risk free interest rate | 6.70% | 6.70% | 6.9%–7.3% | 6.8%–7.1% |
| Expected Volatility | 25.00% | 25.00% | 25.00% | 25.00% |
| Fair value of option per equity share | 43.07-661.47 | 656.37-919.63 | 714.13 | 769.17 |

B Effect of employee stock option plan on the Statement of Profit and Loss and on its financial position:

| Particulars | March 31, 2024 |
|--|----------------|
| | (₹ in lakhs) |
| Total employee compensation cost pertaining to stock option plan | 3,448.76 |
| Employee Stock option plan (ESOP) reserve | 3,448.76 |

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended on March 31, 2024

NOTE 38 : 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 the industry, the Company, primarily, uses the gearing ratio to monitor and maintain the capital structure which is as follows:

Net debt (total borrowings net of cash and cash equivalents) divided by 'total equity' (as shown in the balance sheet).

The gearing ratios were as follows:

| | As at March 31, 2024 | As at March 31, 2023 |
|---------------------------------|-------------------------|-------------------------|
| | ₹ in Lakhs | ₹ in Lakhs |
| Borrowings | 2,491.97 | 12,080.26 |
| Less: Cash and cash equivalents | 5,551.79 | 1,236.00 |
| Net debt | (3,059.82) | 10,844.26 |
| Total equity | 4,20,302.71 | 4,07,932.98 |
| Net debt to equity ratio | -0.73% | 2.66% |

NOTE 39 : FINANCIAL INSTRUMENTS – FAIR VALUES

Accounting classification and fair values

| | As at March 31, 2024 | | | As at March 31, 2023 | | |
|---|----------------------|-------------|------------------|----------------------|-------------|------------------|
| | 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 | – | – | 9,173.79 | – | – | 1,357.90 |
| Short-term loans and advances | – | – | 6.38 | – | – | 6.52 |
| Trade and other receivables | – | – | 13,718.38 | – | – | 12,259.64 |
| Current Investments | 5,494.84 | – | – | 7,579.95 | – | – |
| Non Current Investments # | – | 0.71 | 2,524.15 | – | 0.71 | 2,524.15 |
| Other Current financial Asset | – | – | 90.70 | – | – | 93.82 |
| Other Non Current financial Asset | – | – | 1,220.37 | – | – | 1,153.79 |
| Total Financial Asset | 5,494.84 | 0.71 | 26,733.77 | 7,579.95 | 0.71 | 17,395.82 |
| Financial liabilities | | | | | | |
| Trade and other payables | – | – | 21,926.01 | – | – | 22,847.74 |
| Other Current financial liabilities | – | – | 19,312.73 | – | – | 16,068.75 |
| Other Non Current financial liabilities | – | – | 409.66 | – | – | 853.52 |
| Current Borrowings | – | – | 2,491.97 | – | – | 9,613.78 |
| Non Current Borrowings | – | – | – | – | – | 2,466.48 |
| Total Financial Liabilities | – | – | 44,140.37 | – | – | 51,850.27 |

*Mandatorily measured at fair value in accordance with Ind AS 109

** Investments in equity instruments designated as such upon initial recognition in accordance with paragraph 5.7.5 of Ind AS 109.

These investments in equity instruments are not held for trading. Instead, they are held for medium or long term strategic purpose. Upon the application of IND AS 109, the company has chosen to designate these investments in equity instruments at FVTOCI as it is believed that this provides a more meaningful presentation for medium or long term strategic investment than reflecting changes in fair value immediately in profit and loss Account.

Includes investment in equity instruments of ₹ 2,524.15/- Lakhs (previous year ₹ 2,524.15/- lakhs) carried at cost less impairment.

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended on March 31, 2024

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 2024 (Refer note Below) | Level 1 ₹ in Lakhs | Level 2 ₹ in Lakhs | Level 3 ₹ in Lakhs | Total ₹ in Lakhs |
|--|-----------------------|-----------------------|-----------------------|---------------------|
| Financial assets | | | | |
| Financial investment at FVTPL | | | | |
| Unquoted Investments in Mutual funds | 5,494.84 | – | – | 5,494.84 |
| Financial investment at FVTOCI | | | | |
| Unquoted Investments | – | – | 0.71 | 0.71 |
| Total Financial Asset | 5,494.84 | – | 0.71 | 5,495.55 |
| Financial Liabilities | | | | |
| Total Financial Liabilities | – | – | – | – |

| Financial assets and liabilities measured at fair value– recurring fair value measurements At March 2023 (Refer note Below) | Level 1 ₹ in Lakhs | Level 2 ₹ in Lakhs | Level 3 ₹ in Lakhs | Total ₹ in Lakhs |
|---|-----------------------|-----------------------|-----------------------|---------------------|
| Financial assets | | | | |
| Financial investment at FVTPL | | | | |
| Unquoted Investments in Mutual funds | 7,579.95 | – | – | 7,579.95 |
| Financial investment at FVTOCI | | | | |
| Unquoted Investments | – | – | 0.71 | 0.71 |
| Total Financial Asset | 7,579.95 | – | 0.71 | 7,580.66 |
| Financial Liabilities | | | | |
| Total Financial Liabilities | – | – | – | – |

Reconciliation of level 3 fair value measurement of financial Instruments

| Particulars | Year ended March 31, 2024 ₹ in Lakhs | Year ended March 31, 2023 ₹ in Lakhs |
|--|--|--|
| Opening Value of Fair Value | 0.71 | 0.71 |
| Fair value gain/(loss) recognised in statement of profit or Loss | – | – |
| Fair value gain/(loss) recognised in Other Comprehensive income | – | – |
| Purchases made during the year | – | – |
| Sales made during the year | – | – |
| Closing balance of fair value | 0.71 | 0.71 |

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. |

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended on March 31, 2024

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.

NOTE 40 : 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 (₹) | 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 the Treasury team under policies approved by the Finance committee. Treasury team identifies and evaluates financial risks.

(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 March 31, 2024 | As at March 31, 2023 |
|---------------------------|-------------------------|-------------------------|
| | ₹ in Lakhs | ₹ in Lakhs |
| Investments | 5,494.84 | 7,579.95 |
| Trade receivables | 13,718.38 | 12,259.64 |
| Cash and cash equivalents | 5,551.79 | 1,236.00 |
| Other bank balances | 3,622.00 | 121.90 |
| Loans | 6.38 | 6.52 |
| Other financial assets | 1,311.07 | 1,247.61 |

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended on March 31, 2024

Trade Receivables

The maximum exposure to credit risk for trade and other receivables by geographic region was as follows.

| Particulars | As at March 31, 2024 ₹ in Lakhs | As at March 31, 2023 ₹ in Lakhs |
|---------------|---------------------------------------|---------------------------------------|
| India | 13,684.80 | 12,214.43 |
| Other regions | 33.58 | 45.21 |
| Total | 13,718.38 | 12,259.64 |

Impairment

The ageing of trade and other receivables that were not impaired was as follows.

| Ageing | As at March 31, 2024 ₹ in Lakhs | As at March 31, 2023 ₹ in Lakhs |
|-----------------|---------------------------------------|---------------------------------------|
| 0-1 Year | 13,535.86 | 12,195.09 |
| 1-2 Year | 182.52 | 64.55 |
| 2-3 Year | 0.00* | - |
| More Than 3 Yrs | 0.00* | - |
| Total | 13,718.38 | 12,259.64 |

* Amount less than ₹ 0.01 lakhs

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows.

| Particulars | As at March 31, 2024 ₹ in Lakhs | As at March 31, 2023 ₹ in Lakhs |
|--|---------------------------------------|---------------------------------------|
| Opening Balance | 1,945.91 | 816.67 |
| Amounts written off during the year as uncollectible | - | - |
| Impairment loss recognised | 123.85 | 1,129.24 |
| Balance | 2,069.76 | 1,945.91 |

The Company held cash and cash equivalents of ₹ 5,551.79 lakhs at March 31, 2024 (March 31, 2023: ₹ 1,236.00 lakhs). The cash and cash equivalents are held with bank ₹ 5,390.06 lakhs at March 31, 2024 (March 31, 2023: ₹ 1,182.02 lakhs)

(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 | | | | | Total |
|---|---|------------|------------|------------|------------|------------|
| | Carrying amount | On Demand | 0- 1 year | 1-5 years | > 5 years | |
| | ₹ in Lakhs | ₹ in Lakhs | ₹ in Lakhs | ₹ in Lakhs | ₹ in Lakhs | ₹ in Lakhs |
| As at March 31, 2024 | | | | | | |
| Banks-Long term loans | 2,491.97 | - | 2,491.97 | - | - | 2,491.97 |
| Loans from banks | - | - | - | - | - | - |
| Trade payables | 21,926.01 | - | 21,926.01 | - | - | 21,926.01 |
| Lease Liabilities | 1,583.02 | - | 969.18 | 603.38 | 10.46 | 1,583.02 |
| Other Payable | 18,343.55 | - | 18,343.55 | - | - | 18,343.55 |

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended on March 31, 2024

| Non-derivative financial liabilities | Contractual maturities of financial liabilities | | | | | Total |
|---|---|------------|------------|------------|------------|------------|
| | Carrying amount | On Demand | 0- 1 year | 1-5 years | > 5 years | |
| | ₹ in Lakhs | ₹ in Lakhs | ₹ in Lakhs | ₹ in Lakhs | ₹ in Lakhs | ₹ in Lakhs |
| As at March 31, 2023 | | | | | | |
| Banks-Long term loans | 4,966.48 | – | 2,500.00 | 2,466.48 | – | 4,966.48 |
| Loans from banks | 7,113.78 | 7,113.78 | – | – | – | 7,113.78 |
| Trade payables | 22,847.74 | – | 22,847.74 | – | – | 22,847.74 |
| Lease Liabilities | 2,053.32 | – | 1,123.37 | 898.67 | 31.28 | 2,053.32 |
| Other Payable | 15,074.76 | – | 15,074.76 | – | – | 15,074.76 |

(c) (i) Market Risk- Foreign currency

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at March 31, 2024 and March 31, 2023:

| Particulars | As at March 31, 2024 USD in Lakhs | As at March 31, 2024 EUR in Lakhs | As at March 31, 2024 SGD in Lakhs |
|------------------------------------|---|---|---|
| Financial assets | | | |
| Other Non-current financial assets | 1.30 | – | – |
| Trade and other receivables | 47.42 | 0.06 | – |
| | 48.72 | 0.06 | – |
| Financial liabilities | | | |
| Trade and other payables | 13.48 | 0.18 | 0.09 |
| | 13.48 | 0.18 | 0.09 |
| Net Exposure | 35.24 | (0.12) | (0.09) |

| Particulars | As at March 31, 2023 USD in Lakhs | As at March 31, 2023 EUR in Lakhs | As at March 31, 2023 SGD in Lakhs |
|-------------------------------|---|---|---|
| Financial assets | | | |
| Short-term loans and advances | 10.00 | – | – |
| Trade and other receivables | 10.81 | – | – |
| | 20.81 | – | – |
| Financial liabilities | | | |
| Trade and other payables | 11.11 | 0.07 | – |
| | 11.11 | 0.07 | – |
| Net Exposure | 9.70 | (0.07) | – |

The following significant exchange rates have been applied.

| | Year-end spot rate | |
|---------|-------------------------|-------------------------|
| | As at March 31, 2024 | As at March 31, 2023 |
| USD / ₹ | 83.34 | 82.16 |
| EUR / ₹ | 89.93 | 89.37 |
| SGD / ₹ | 61.68 | 61.80 |

Sensitivity analysis

The Sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments

| Effect in ₹ | Profit or (loss) | |
|-----------------------------|-----------------------------|-------------------------|
| | Strengthening ₹ in Lakhs | Weakening ₹ in Lakhs |
| As at March 31, 2024 | | |
| USD 5% movement | (146.83) | 146.83 |
| EUR 5% movement | 0.54 | (0.54) |
| SGD 5% movement | 0.29 | (0.29) |
| | (146.00) | 146.00 |

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended on March 31, 2024

| Effect in ₹ | Profit or (loss) | |
|----------------------|------------------|--------------|
| | Strengthening | Weakening |
| As at March 31, 2023 | ₹ in Lakhs | ₹ in Lakhs |
| USD 5% movement | (39.85) | 39.85 |
| EUR 5% movement | 0.31 | (0.31) |
| | (39.54) | 39.54 |

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.

(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 March 31, 2024 | As at March 31, 2023 |
|-------------------------|-------------------------|-------------------------|
| | ₹ in Lakhs | ₹ in Lakhs |
| Variable Rate Borrowing | 2,491.97 | 4,966.48 |

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:

- profit for the year ended March 31, 2024 would decrease/increase by ₹ 13.87 lakhs (2023: decrease/ increase by ₹ 25.43 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 year.

NOTE 41 : ASSETS PLEDGED AS SECURITY

The carrying amounts of assets pledged as security for current and non-current borrowings are:

| Particulars | Notes | As at March 31, 2024 | As at March 31, 2023 |
|---|-------|-------------------------|-------------------------|
| | | ₹ in Lakhs | ₹ in Lakhs |
| Current | | | |
| Financial Assets | | | |
| Trade Receivable | 8 | 13,718.38 | 12,259.64 |
| Inventories | 13 | 24,368.54 | 21,124.86 |
| Total Current assets pledged as security | | 38,086.92 | 33,384.50 |
| Non-current | | | |
| Land-Freehold | 3 | 6,405.00 | 6,405.00 |
| Land-Leasehold | 4 | 333.55 | 338.85 |
| Buildings | 3 | 13,954.02 | 14,299.80 |
| Other Property, plant and equipment * | 3 | 6,707.35 | 6,320.18 |
| Total Non Current assets pledged as security | | 27,399.92 | 27,363.83 |
| Total assets pledged as security | | 65,486.84 | 60,748.33 |

* Property, plant and equipment as per note 3 includes moveable asset for employee benefits, which has not been pledged.

No charges or satisfaction are pending to be registered with ROC beyond the statutory period.

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended on March 31, 2024

NOTE 42 : MOVEMENT IN DEFERRED TAX BALANCES

| Particulars | As at April 1, 2023 | Recognised in profit or loss | Acquired through business combination | Recognised in Goodwill | For the year 2023-24 Recognised in OCI | Net | As at March 31, 2024 | |
|-------------------------------------|------------------------|------------------------------------|--|---------------------------|--|------------|-------------------------------------|---|
| | ₹ in Lakhs | ₹ in Lakhs | ₹ in Lakhs | ₹ in Lakhs | ₹ in Lakhs | ₹ in Lakhs | Deferred tax asset ₹ in Lakhs | Deferred tax liability ₹ in Lakhs |
| Deferred tax asset | | | | | | | | |
| Property, plant and equipment | 4,637.80 | 126.32 | - | - | - | 4,764.12 | - | 4,764.12 |
| Provisions | (1,378.08) | 55.48 | - | - | - | (1,322.60) | (1,322.60) | - |
| Lease Liabilities | 58.28 | (4.72) | - | - | - | 53.56 | - | 53.56 |
| Merger expenses | (27.98) | (310.05) | - | - | - | (338.03) | (338.03) | - |
| Amortisation of Processing fees | 8.44 | (6.42) | - | - | - | 2.02 | - | 2.02 |
| Fair Valuation | 78,721.00 | (617.19) | - | - | - | 78,103.81 | - | 78,103.81 |
| Expenses allowed on Payment | (122.04) | (47.84) | - | - | - | (169.88) | (169.88) | - |
| Deferred Tax (Assets) / Liabilities | 81,897.42 | (804.42) | - | - | - | 81,093.00 | (1,830.50) | 82,923.51 |

| Particulars | As at April 1, 2022 | Recognised in profit or loss | Acquired through business combination | Recognised in Goodwill | For the year 2023-24 Recognised in OCI | Net | As at March 31, 2023 | |
|--|------------------------|------------------------------------|--|---------------------------|--|------------------|-----------------------|---------------------------|
| | ₹ in Lakhs | ₹ in Lakhs | ₹ in Lakhs | ₹ in Lakhs | ₹ in Lakhs | ₹ in Lakhs | Deferred tax asset | Deferred tax liability |
| Deferred tax asset | | | | | | | | |
| Property, plant and equipment | 4,542.13 | 95.67 | - | - | - | 4,637.80 | - | 4,637.80 |
| Provisions | (1,058.53) | (319.55) | - | - | - | (1,378.08) | (1,378.08) | - |
| Lease Liabilities | 62.59 | (4.31) | - | - | - | 58.28 | - | 58.28 |
| Merger expenses | (41.58) | 13.60 | - | - | - | (27.98) | (27.98) | - |
| Amortisation of Processing fees | 16.22 | (7.78) | - | - | - | 8.44 | - | 8.44 |
| Fair Valuation | 79,338.22 | (617.22) | - | - | - | 78,721.00 | - | 78,721.00 |
| Expenses allowed on Payment | (118.57) | (3.47) | - | - | - | (122.04) | (122.04) | - |
| Deferred Tax (Assets) / Liabilities | 82,740.48 | (843.06) | - | - | - | 81,897.42 | (1,528.09) | 83,425.52 |

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended on March 31, 2024

NOTE 43 : INCOME TAX EXPENSE

(a) Amounts recognised in profit and loss

| Particulars | Year ended March 31, 2024 ₹ in Lakhs | Year ended March 31, 2023 ₹ in Lakhs |
|---|--|--|
| Current income tax | 3,887.91 | 1,829.01 |
| Deferred income tax liability / (asset), net | | |
| Origination and reversal of temporary differences | (804.42) | (843.04) |
| Tax expense for the year | 3,083.49 | 985.97 |

(b) Amounts recognised in other comprehensive income

| Particulars | Year ended March 31, 2024 | | | Year ended March 31, 2023 | | |
|--|---------------------------|--------------------------|-----------------|---------------------------|--------------------------|-----------------|
| | 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 | (315.04) | 79.16 | (235.88) | (631.79) | 159.01 | (472.78) |
| Equity Instruments through Other Comprehensive Income | — | — | — | | | |
| Total | (315.04) | 79.16 | (235.88) | (631.79) | 159.01 | (472.78) |

(c) Reconciliation of effective tax rate

| Particulars | Year ended March 31, 2024 ₹ in Lakhs | Year ended March 31, 2023 ₹ in Lakhs |
|--|--|--|
| Profit before tax | 12,240.34 | 2,693.99 |
| Tax using the Company's domestic tax rate : 25.168% | 3,080.65 | 678.02 |
| Tax effect of amounts which are not deductible (taxable) in calculating taxable income | 8.30 | 53.10 |
| Other tax adjustment (including re-assessment of deferred taxes post business combination) | (5.46) | 254.85 |
| Total | 3,083.49 | 985.97 |

The tax rate used for the year 2023-24 and 2022-23 reconciliations above is the corporate tax rate of 25.168% payable by corporate entities in India on taxable profits under the Indian tax law.

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended on March 31, 2024

NOTE 44 : KEY FINANCIAL RATIOS:

| Sr. No. | Particulars | Numerator | Denominator | 2023-24 | 2022-23 | % Change | Refer Note |
|---------|--|--|---|----------|---------|----------|------------|
| 1 | Current Ratio (times) | Current assets | Current liabilities | 0.61 | 0.49 | 24.17 | |
| 2 | Debt equity ratio (times) | Total debt | Equity | 0.01 | 0.03 | (73.03) | a |
| 3 | Debt service coverage ratio (times) | Earnings available for debt service | Total debt service | 1.41 | 0.92 | 53.90 | b |
| 4 | Return on equity (%) | Net profit after tax | Average shareholder equity | 2.21% | 0.42% | 427.30 | c |
| 5 | Inventory turnover ratio (times) | Cost of Goods sold | Average inventory | 3.96 | 3.42 | 15.80 | |
| 6 | Trade receivables turnover ratio (times) | Net sales | Average accounts receivables | 16.85 | 14.90 | 13.10 | |
| 7 | Trade payable turnover ratio (times) | Total purchases | Average trade payables | 4.23 | 3.38 | 24.98 | d |
| 8 | Net capital turnover ratio (times) | Sales | Current Assets minus Current Liabilities. | (5.81) | (4.20) | 38.18 | e |
| 9 | Net profit ratio (%) | Net profit after tax | Sales | 4.18% | 0.82% | 409.46 | f |
| 10 | Return on capital employed (%) | Earnings before interest and tax divided | Capital Employed (refer note (j)) | -125.12% | -59.42% | 110.58 | g |
| 11 | Return on investment (%) | Return on Investment | Average total current investment | 6.35% | 3.11% | 104.23 | h |

Notes: Explanation for change in the ratio by more than 25%

- Repayment of borrowings during current year.
- Higher earning and repayment of borrowings during current year.
- Higher net profit after tax during the current year with improved efficiency.
- Better working capital management and strong cash flow.
- Revenue growth along with higher efficiency on working capital improvement has resulted in an improvement in the ratio.
- Higher net profit after tax during the current year with improved efficiency.
- Increase in earnings and reduction in borrowings on account of repayment.
- There is a significant change in return on investment ratio due to increase in market rates.
- The calculation for above ratios is in accordance with formula prescribed by Guidance note on Schedule III issued by the Institute of Chartered Accountants of India.
- Capital employed = Tangible Net Worth# + Total Debt + Deferred Tax Liability.

In order to derive to the tangible net worth, goodwill and other intangibles assets has been reduced from the total net worth.

INDEPENDENT AUDITOR'S REPORT

To The Members of
EUREKA FORBES LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **EUREKA FORBES LIMITED** ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2024, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2024, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements 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 Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, 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 consolidated 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the sub-paragraph (a) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

| Key Audit Matter | Auditor's Response |
|--|--|
| Impairment of Intangible assets (Brand Name / Trademarks) with indefinite life and Goodwill impairment | Principal audit procedures: |
| <p>The Consolidated balance sheet of the Group as on March 31, 2024 comprises of</p> <p>Rs. 291,119.26 lakhs of intangible assets with indefinite life and Rs. 205,581.67 lakhs of goodwill, pertaining to acquisition of a business in the earlier years, which in aggregate represents 81% of the total assets of the Group.</p> | <ul style="list-style-type: none"> We obtained understanding of the process followed by the Group in respect of the assessment of impairment of Intangible assets (Brand Name / Trademarks) with indefinite life and Goodwill. Evaluated Group's accounting policy in respect of impairment assessment of Intangibles with indefinite life and goodwill. Evaluated the design and implementation and testing the operating effectiveness of key internal controls related to the Group's process relating to the impairment analysis, key assumptions and review of the valuation methodology. Assessed the professional competence, objectivity and expertise of those involved in performing the valuation exercise for the Group. |

| Key Audit Matter | Auditor's Response |
|---|---|
| <p>The recoverable value of the intangible assets with indefinite life and goodwill which is based on the value in use model, has been derived using the discounted cash flow (DCF) method. This method requires the Group to make significant assumptions such as discount rate, near and long-term revenue growth rate and projected margins which involves inherent uncertainty since they are based on future business prospects and economic outlook.</p> <p>Due to the materiality of above assets in the context of the consolidated financial statements and judgements applied in determining the recoverable value, we have considered assessment of impairment of Intangible assets (Brand Name / Trademarks) with indefinite life and Goodwill to be a key audit matter.</p> <p>Refer Note 5a, 6a and 33S to the Ind AS financial statements.</p> | <ul style="list-style-type: none"> Obtained understanding of the cash flow projections and assumptions used in the DCF method. Tested the appropriateness of the input data considered for the purposes of valuation by reconciling the projected cash flows with the underlying business plan and related details. Involved the internal valuation professionals with specialized skills and knowledge to assist in evaluating the impairment model used, evaluating the mathematical accuracy and assumptions (including discount rate and growth rate applied by the Group) and applying additional sensitivities to assess the reasonableness of the above key assumptions. Performed a sensitivity analysis to evaluate the impact of change in key assumptions individually or collectively to the recoverable value. Evaluated the adequacy of the Group's disclosures in the consolidated financial statements in respect of its impairment testing. |

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

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis and Board's report including annexures to Board's report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon. The aforesaid other information is expected to be made available to us after the date of this auditor's report.
- Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available, compare with the financial statements of the subsidiaries audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries, is traced from their financial statements audited by the other auditors.
- When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including Ind AS. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either

intend to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal 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 Parent has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the

audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated 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 consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal financial controls that we identify during our audit.

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

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

Other Matters

- (a) We did not audit the financial statements / financial information of 4 subsidiaries, whose financial statements / financial information reflect total assets of Rs. 5,250.58 lakhs as at March 31, 2024, total revenues of Rs. 6,231.25 lakhs and net cash (outflows) amounting to Rs. (443.98) lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries referred to in the Other Matters section above we report, to the extent applicable that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law maintained by the Group, including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors, except for not complying with the requirements of audit trail, as stated in paragraph (i)(vi) below.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors of the Parent as on March 31, 2024 taken on record by the Board of Directors of the Parent Company and the reports of the statutory auditors of its subsidiary companies incorporated in

India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.

- f) The modification relating to the maintenance of accounts and other matters connected therewith, is as stated in paragraph (b) above.
- g) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent and subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to consolidated financial statements of those companies.
- h) 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 and based on the auditor's reports of subsidiary companies incorporated in India, the remuneration paid/provided by the Parent and such subsidiary companies, to their respective directors during the year is in accordance with the provisions of section 197 of the Act.
- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note 33A(a) to the consolidated financial statements;
 - ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii) There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies incorporated in India.
 - iv) (a) The respective Managements of the Parent and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and to the other auditors of such subsidiaries that, to the best of their knowledge and belief, as disclosed in the note 33E to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or

kind of funds) by the Parent or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (b) The respective Managements of the Parent and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries that, to the best of their knowledge and belief, as disclosed in the note 33F to the consolidated financial statements, no funds have been received by the Parent or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v) The Parent and its subsidiaries, which are companies incorporated in India, whose financial statements have been audited under the Act, have not declared or paid any dividend during the year and have not proposed final dividend for the year.
- vi) Based on our examination which included test checks and based on the other auditor's reports of its subsidiary companies incorporated in India whose financial statements have been audited

under the Act, except for the instances mentioned below, the Parent Company and its subsidiary companies, incorporated in India have used accounting software for maintaining their respective books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software:

- (a) in respect of Parent Company, for the accounting software used, audit trail was not enabled at the database level to log any direct data changes, and
- (b) in respect of a subsidiary company, as reported by the other auditor the accounting software has a feature of recording audit trail (edit log) facility for all relevant transactions recorded in the software, however, such feature was installed with effect from July 24, 2023 and accordingly, the feature of recording audit trail (edit log) facility did not operate during the year until the said date.

Further, during the course of audit, the respective other auditors, whose reports have been furnished to us by the Management of the Parent Company, have not come across any instance of the audit trail feature being tampered with in respect of the accounting software for the period for which the audit trail feature was enabled and operating.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

- 2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said companies included in the consolidated financial statements.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Nilesh Shah
Partner

Place: Mumbai
Date: May 28, 2024

Membership No. 049660
UDIN: 24049660BKFRRC5054

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(g) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Report on the Internal Financial Controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as at and for the year ended March 31, 2024, we have audited the internal financial controls with reference to consolidated financial statements of Eureka Forbes Limited (hereinafter referred to as “Parent”) and its subsidiary companies, which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent and its subsidiary companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the internal control with reference to consolidated financial statements criteria established by the respective Companies 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 the respective 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.

reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated 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.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Parent and its subsidiary companies which are companies incorporated in India.

Meaning of Internal Financial Controls with reference to consolidated financial statements

A company’s internal financial control with reference to consolidated 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 control with reference to consolidated 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.

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Parent and its subsidiary companies which are companies incorporated in India, 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 with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain

Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements

Because of the inherent limitations of internal financial controls with reference to consolidated 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 consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements 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 and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent and its subsidiary companies which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2024, based on the criteria for internal

financial control with reference to consolidated financial statements established by the respective companies 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.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to 2 subsidiary companies which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matter.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Nilesh Shah
Partner

Place: Mumbai
Date: May 28, 2024

Membership No. 049660
UDIN: 24049660BKFRRC5054

CONSOLIDATED BALANCE SHEET

as at March 31, 2024

| Particulars | | Notes | As at March 31, 2024 | As at March 31, 2023 |
|--|--------------------------------------|-------|-------------------------|-------------------------|
| ASSETS | | | | |
| Non-current Assets | | | | |
| (a) | Property, plant and equipment | 3 | 27,360.48 | 27,296.48 |
| (b) | Right of use assets | 4 | 1,594.79 | 2,120.99 |
| (c) | Goodwill | 5a | 205,581.67 | 205,581.67 |
| (d) | Goodwill on consolidation | 5b | 299.46 | 299.46 |
| (e) | Other intangible assets | 6a | 311,455.07 | 312,787.91 |
| (f) | Intangible assets under development | 6b | 122.19 | 245.93 |
| (g) | Financial assets | | | |
| (i) | Investments | 7 | 1.42 | 1.43 |
| (ii) | Other financial assets | 10 | 1,268.45 | 1,171.62 |
| (h) | Income tax asset (net) | 11 | 3,117.80 | 2,429.67 |
| (i) | Deferred tax assets (net) | 23 | 125.11 | 127.48 |
| (j) | Other non-current assets | 12 | 1,279.41 | 1,304.14 |
| Total Non-current Assets | | | 552,205.85 | 553,366.78 |
| Current Assets | | | | |
| (a) | Inventories | 13 | 25,270.70 | 22,003.10 |
| (b) | Financial assets | | | |
| (i) | Investments | 7 | 5,494.84 | 7,579.95 |
| (ii) | Trade receivables | 8 | 13,751.84 | 12,366.95 |
| (iii) | Cash and cash equivalents | 14 | 6,132.17 | 1,854.54 |
| (iv) | Bank balances other than (iii) above | 14 | 3,622.50 | 254.39 |
| (v) | Loans | 9 | 48.07 | 6.52 |
| (vi) | Other financial assets | 10 | 90.70 | 93.82 |
| (c) | Other current assets | 12 | 6,322.95 | 5,517.99 |
| Total Current Assets | | | 60,733.77 | 49,677.26 |
| Total Assets | | | 612,939.62 | 603,044.04 |
| EQUITY AND LIABILITIES | | | | |
| Equity | | | | |
| (a) | Equity share capital | 15 | 19,347.92 | 19,347.92 |
| (b) | Other equity | 16 | 403,216.45 | 390,416.52 |
| Non-controlling interest | | | 119.97 | 118.86 |
| Total Equity | | | 422,684.34 | 409,883.30 |
| Liabilities | | | | |
| Non-current Liabilities | | | | |
| (a) | Financial liabilities | | | |
| (i) | Borrowings | 17 | - | 2,470.94 |
| (ii) | Lease liabilities | 20 | 409.66 | 857.15 |
| (b) | Provisions | 21 | 377.67 | 245.48 |
| (c) | Deferred tax liabilities (net) | 23 | 81,135.58 | 81,897.44 |
| (d) | Other non-current liabilities | 22 | 13,150.68 | 12,197.94 |
| Total Non-current Liabilities | | | 95,073.59 | 97,668.95 |
| Current liabilities | | | | |
| (a) | Financial liabilities | | | |
| (i) | Borrowings | 17 | 2,491.97 | 9,631.40 |
| (ii) | Lease liabilities | 20 | 972.81 | 1,035.13 |
| (iii) | Trade and other payables | | | |
| Total outstanding dues of micro enterprises and small enterprises | | | 6,936.87 | 6,774.72 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | | | 12,427.39 | 14,090.85 |
| (iv) | Other financial liabilities | 19 | 18,416.32 | 15,116.30 |
| (b) | Provisions | 21 | 2,366.46 | 2,428.36 |
| (c) | Income tax liabilities (net) | 11 | 6,476.65 | 1,886.90 |
| (d) | Other current liabilities | 22 | 45,093.22 | 44,528.13 |
| Total Current Liabilities | | | 95,181.69 | 95,491.79 |
| Total Liabilities | | | 190,255.28 | 193,160.74 |
| Total Equity and Liabilities | | | 612,939.62 | 603,044.04 |

The accompanying notes are an integral part of the financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP

Chartered Accountants

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

Nilesh Shah

Partner

Mumbai, India

Dated : May 28, 2024

Arvind Uppal

Chairman

(DIN-00104992)

Gurugram, India

Dated : May 28, 2024

Pratik R. Pota

Managing Director & CEO

(DIN-00751178)

Mumbai, India

Dated : May 28, 2024

Gaurav Khandelwal

Chief Financial Officer

Mumbai, India

Dated : May 28, 2024

Pragya Kaul

Company Secretary

Mumbai, India

Dated : May 28, 2024

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2024

₹ in Lakhs

| Particulars | Notes | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|-------|------------------------------|------------------------------|
| I Income | | | |
| Revenue from operations | 24 | 218,925.02 | 208,450.51 |
| Other income and other gains / (losses)–net | 25 | 877.95 | 1,023.34 |
| Total Income | | 219,802.97 | 209,473.85 |
| II Expenses | | | |
| Cost of materials consumed | 26 | 82,128.68 | 63,344.18 |
| Purchases of stock-in-trade | 26 | 10,382.56 | 14,948.30 |
| Changes in inventories of finished goods, spares, stock-in-trade and work-in-progress | 26 | (3,655.31) | 5,028.47 |
| Employee benefits expense | 27 | 32,980.08 | 30,314.03 |
| Finance costs | 28 | 977.45 | 2,025.92 |
| Depreciation and amortisation expense | 29 | 5,402.70 | 5,646.06 |
| Other expenses | 30 | 77,224.53 | 80,313.91 |
| Total expenses | | 205,440.70 | 201,620.87 |
| III Profit before exceptional items and tax | | 14,362.27 | 7,852.98 |
| Less : Exceptional items | 26 | (1,514.90) | (4,001.80) |
| IV Profit/ (Loss) before tax and after exceptional items | | 12,847.37 | 3,851.18 |
| Less: Tax expense | | | |
| Current tax | 31 | 4,083.35 | 2,080.69 |
| Deferred tax charge | 31 | (800.95) | (876.75) |
| | | 3,282.40 | 1,203.94 |
| V Profit/(Loss) for the year | | 9,564.97 | 2,647.24 |
| VI Other Comprehensive Income | | | |
| Items that will not be reclassified to profit or loss | | | |
| Remeasurements of the defined benefit plans gain/(loss) | | (315.04) | (634.38) |
| Income tax relating to above | | 77.76 | 159.67 |
| Items that may be reclassified to statement of profit and loss | | | |
| Exchange difference on translation of financial statements of foreign operations | | 24.58 | (23.64) |
| | | (212.70) | (498.35) |
| VII Total comprehensive income for the year | | 9,352.27 | 2,148.89 |
| Profit/ (Loss) for the year attributable to: | | 9,563.86 | 2,655.75 |
| - Owners of the Company | | 1.11 | (8.51) |
| - Non-controlling interests | | 9,564.97 | 2,647.24 |
| Other comprehensive income for the year attributable to: | | | |
| - Owners of the Company | | (212.69) | (498.31) |
| - Non-controlling interests | | (0.01) | (0.04) |
| | | (212.70) | (498.35) |
| Total comprehensive income / (loss) for the year attributable to: | | | |
| - Owners of the Company | | 9,351.17 | 2,157.44 |
| - Non-controlling interests | | 1.10 | (8.55) |
| | | 9,352.27 | 2,148.89 |
| Earnings per equity share: | | | |
| (1) Basic (in ₹) | 32 | 4.94 | 1.37 |
| (2) Diluted (in ₹) | 32 | 4.93 | 1.37 |

The accompanying notes are an integral part of the financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP

Chartered Accountants

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

Nilesh Shah

Partner

Mumbai, India

Dated : May 28, 2024

Arvind Uppal

Chairman

(DIN-00104992)

Gurugram, India

Dated : May 28, 2024

Pratik R. Pota

Managing Director & CEO

(DIN-00751178)

Mumbai, India

Dated : May 28, 2024

Gaurav Khandelwal

Chief Financial Officer

Mumbai, India

Dated : May 28, 2024

Pragya Kaul

Company Secretary

Mumbai, India

Dated : May 28, 2024

CONSOLIDATED STATEMENT OF CASH FLOW

for the year ended March 31, 2024

₹ in Lakhs

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|------------------------------|------------------------------|
| Cash flows from operating activities | | |
| Profit/ (Loss) before tax and after exceptional items | 12,847.37 | 3,851.16 |
| Adjustments for: | | |
| Finance costs recognised in profit and loss | 786.46 | 1,842.33 |
| Interest on lease liabilities | 190.99 | 183.60 |
| (Gain)/loss on modification/disposal of right of use assets | (9.58) | (27.40) |
| (Gain)/ loss on disposal of investment recognised in profit and loss | (47.68) | (133.31) |
| Fair value of Investment at FVTPL | (367.21) | (80.33) |
| Interest Income | (206.12) | (44.36) |
| (Gain)/ Loss on disposal of property, plant and equipment | (60.13) | (516.32) |
| Net foreign exchange (gain)/loss - unrealised | 24.22 | (74.02) |
| Remeasurements of the defined benefit plans | 78.15 | - |
| Provision/write-off of doubtful debts, advances and other current assets | 161.99 | 808.94 |
| Depreciation and amortisation expenses on property, plant and equipment and intangible assets | 4,148.85 | 4,500.69 |
| Depreciation and amortisation expenses on right of use assets | 1,253.85 | 1,145.37 |
| Exceptional Items | 1,514.90 | 4,001.80 |
| Employee stock option scheme reserve | 3,448.76 | - |
| Operating profit before working capital changes | 23,764.82 | 15,458.15 |
| Movements in working capital: | | |
| (Increase)/decrease in trade and other receivables | (1,546.88) | 2,246.56 |
| (Increase)/decrease in inventories | (4,782.50) | 4,526.23 |
| (Increase)/decrease in loans and advances | (41.55) | 1.39 |
| (Increase)/decrease in other assets | (784.51) | (1,213.30) |
| (Increase)/decrease in other financial assets | (93.71) | 527.13 |
| Increase/(decrease) in trade and other payables | (1,501.31) | (1,234.47) |
| Increase/(decrease) in provisions | (244.75) | (266.30) |
| Increase/(decrease) in other liabilities | 4,817.84 | (1,364.82) |
| Cash generated from operations | 19,587.45 | 18,680.57 |
| Less : Income taxes (paid) / refund received | (140.27) | (617.82) |
| Net cash generated from operating activities | 19,447.18 | 18,062.75 |
| Cash flows from investing activities | | |
| Interest received | 206.12 | 44.36 |
| Payments for property, plant and equipment, intangible assets under development and other intangible assets | (2,839.53) | (2,125.49) |
| Proceeds from sale of mutual funds | 2,500.00 | 7,803.64 |
| Payments for investment in mutual funds | - | (9,000.00) |
| Proceeds from disposal of property, plant and equipment | 338.66 | 801.48 |
| Movement in bank balance other than cash & cash equivalents | (3,368.11) | (154.69) |
| Net cash used in investing activities | (3,162.86) | (2,630.70) |

CONSOLIDATED STATEMENT OF CASH FLOW

for the year ended March 31, 2024

| Particulars | ₹ in Lakhs | |
|--|------------------------------|------------------------------|
| | Year ended March 31, 2024 | Year ended March 31, 2023 |
| Cash flows from financing activities | | |
| Amount paid for increase in authorised share capital | - | (50.28) |
| Repayment of borrowings | (2,496.43) | (2,504.41) |
| Net increase / (decrease) in working capital borrowings | (7,139.43) | (9,673.25) |
| Payment of lease liabilities | (1,418.87) | (1,282.93) |
| Interest paid | (951.96) | (1,842.43) |
| Net cash used in financing activities | (12,006.69) | (15,353.30) |
| Net increase / (decrease) in cash and cash equivalents | 4,277.63 | 78.75 |
| Cash and cash equivalents at the beginning of the year | 1,854.54 | 1,775.79 |
| Cash and cash equivalents at the end of the year | 6,132.17 | 1,854.54 |
| Net increase / (decrease) in cash and cash equivalents as disclosed above | 4,277.63 | 78.75 |

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

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

| Particulars | ₹ in Lakhs | |
|-----------------------------|------------------------------|------------------------------|
| | Year ended March 31, 2024 | Year ended March 31, 2023 |
| Opening balance | 13,994.62 | 25,624.13 |
| Changes due to cash flow | (11,054.73) | (13,460.59) |
| Non cash change (gain)/loss | 934.55 | 1,831.08 |
| Closing balance | 3,874.44 | 13,994.62 |

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

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

Nilesh Shah
Partner

Mumbai, India
Dated : May 28, 2024

Arvind Uppal
Chairman
(DIN-00104992)

Gurugram, India
Dated : May 28, 2024

Pratik R. Pota
Managing Director & CEO
(DIN-00751178)

Mumbai, India
Dated : May 28, 2024

Gaurav Khandelwal
Chief Financial Officer

Mumbai, India
Dated : May 28, 2024

Pragya Kaul
Company Secretary

Mumbai, India
Dated : May 28, 2024

for the year ended March 31, 2024

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Opening Balance at the beginning of the year | 19,347.92 | 19,347.92 |
| Movement during the year | - | - |
| Closing Balance at the end of the year | 19,347.92 | 19,347.92 |

As at March 31, 2024

| Particulars | Reserves and Surplus | | | Foreign Currency Translation Reserve | Attributable to Owners of the Company | Non-controlling interest | Total Other Equity |
|--|----------------------|--------------------|-----------------|--------------------------------------|---------------------------------------|--------------------------|--------------------|
| | Retained earnings | Securities Premium | Capital Reserve | | | | |
| As at April 1, 2023 | 1,963.88 | 3,87,063.45 | 1,413.14 | (23.95) | 3,90,416.52 | 118.86 | 3,90,535.38 |
| Add: | | | | | | | |
| Profit/(Loss) for the year | 9,563.86 | - | - | - | 9,563.86 | 1.11 | 9,564.97 |
| Other comprehensive Income for the year, net of income tax | (237.27) | - | - | - | (237.27) | (0.01) | (237.28) |
| Exchange difference on translation of non-integral foreign operations arisen during the year | - | - | - | 24.58 | 24.58 | - | 24.58 |
| Total comprehensive income for the year | 9,326.59 | - | - | 24.58 | 9,351.17 | 1.10 | 9,352.27 |
| Additions during the year | - | - | - | - | 3,448.76 | - | 3,448.76 |
| Balance at March 31, 2024 | 11,290.47 | 387,063.45 | 1,413.14 | 0.63 | 403,216.45 | 119.97 | 403,336.42 |

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2024

As at March 31, 2023

| Particulars | Reserves and Surplus | | | Foreign Currency Translation Reserve | Attributable to Owners of the Company | Non-controlling interest | Total Other Equity |
|--|----------------------|--------------------|-----------------|--------------------------------------|---------------------------------------|--------------------------|--------------------|
| | Retained earnings | Securities Premium | Capital Reserve | | | | |
| As at April 1, 2022 | (217.20) | 387,063.45 | 1,413.14 | (0.31) | 388,259.08 | 127.41 | 388,386.49 |
| Add: | | | | | | | |
| Profit/(Loss) for the year | 2,655.75 | - | - | - | 2,655.75 | (8.51) | 2,647.24 |
| Other comprehensive Income for the year, net of income tax | (474.67) | - | - | - | (474.67) | (0.04) | (474.71) |
| Exchange difference on translation of non-integral foreign operations arisen during the year | - | - | - | (23.64) | (23.64) | - | (23.64) |
| Total comprehensive income for the year | 2,181.08 | - | - | (23.64) | 2,157.44 | (8.55) | 2,148.89 |
| Balance at March 31, 2023 | 1,963.88 | 387,063.45 | 1,413.14 | (23.95) | 390,416.52 | 118.86 | 390,535.38 |

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

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

Nilesh Shah
Partner

Mumbai, India
Dated : May 28, 2024

Arvind Uppal
Chairman
(DIN-00104992)
Gurugram, India
Dated : May 28, 2024

Pratik R. Pota
Managing Director & CEO
(DIN-00751178)
Mumbai, India
Dated : May 28, 2024

Gaurav Khandelwal
Chief Financial Officer

Mumbai, India
Dated : May 28, 2024

Pragya Kaul
Company Secretary

Mumbai, India
Dated : May 28, 2024

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on March 31, 2024

BACKGROUND

The consolidated financial statements comprise financial statements of Eureka Forbes Limited (the company) and its subsidiaries (collectively, the Group) for the year ended 31 March 2024. 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 – 400013.

The Group is engaged in Manufacturing, selling, renting and servicing of Vacuum cleaners, Water Filter cum purifiers, trading in electronic air cleaning system etc.

NOTE 1:

A. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

This note provides a list of material accounting policies adopted in the preparation of these consolidated 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 consolidated 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 Consolidated financial statements have been prepared on a historical cost basis, on accrual basis of accounting except for certain financial assets and liabilities (including derivative instruments) that are measured at fair value and the assets and liabilities of 2 subsidiaries whose financial statements have been prepared on realization basis.

(c) Functional and presentation currency

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

(d) Use of estimates and judgements

In preparing these consolidated 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 consolidated financial statements is included in the following notes:

Note 2(g) and Note 3(a) – Useful lives of Property, plant and equipment

Note 2(h), Note 5(a) and Note 6(a) – Useful and indefinite lives of Intangible assets

Note 2(i) and Note 27 – Employee Benefit Expense

Note 21, Note 33A and Note 33I – Provisions and Contingent liabilities

Note 21 and Note 33I – Estimation for provision of Warranty Claims

Note 8 – Impairment of Trade Receivables

Note 2(n), Note 11, Note 31 and Note 44 – Income taxes

Note 2(n), Note 23 and Note 43 – Recognition of Deferred taxes

Note 2(m)– Refund Liabilities

Note 2(q) and Note 5(b) - Impairment of Goodwill on consolidation

Note 33S - Impairment testing of goodwill and intangible assets with indefinite useful life

Note 27 and Note 37 - Employee stock option scheme expense

Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option or appreciation right, volatility and dividend yield and making assumptions about them. For the measurement of the fair value of equity-settled transactions with employees at the grant date, the Company uses a Black Scholes model and Monte-Carlo simulation model basis the type of option granted. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 37.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on March 31, 2024

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.

- (i) Note 33A and Note 33I – Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.
- (ii) Note 33S - Impairment testing of goodwill and intangible assets with indefinite useful life

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.

- (iii) Note 37 - Employee share option scheme – The cost of equity-settled transactions is determined by fair value at the grant date using an appropriate valuation model and recognized as an employee benefits expense over the vesting period. This expense reflects the best estimate of the number of equity instruments that will ultimately vest. Service and non-market performance conditions are assessed separately from market conditions, which are included in the grant date fair value. Modifications to awards are expensed based on the increased fair value, and cancellations are expensed immediately. The dilutive effect of outstanding options is included in diluted earnings per share calculations.

(e) Measurement of fair values

A number of the group'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 group 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 Note 39 – Financial instruments.

B. PRINCIPLES OF CONSOLIDATION

- (a) The Consolidated Financial Statements relate to Eureka Forbes Limited (the "Company"), and its subsidiaries (the Company and its subsidiaries constitute the "Group") which have been prepared in accordance with the Indian Accounting Standard on Consolidated Financial Statements (Ind AS) 110 and Investments in Associates and Joint Ventures (Ind AS) 28 specified under section 133 of the Companies Act, 2013. Further the Consolidated Financial Statements include investments in associates accounted for using equity method in accordance with the Accounting

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on March 31, 2024

Standard on Accounting for investments in associates in consolidated financial Statements (Ind AS) 28 specified under section 133 the Companies Act, 2013.

- (b) The financial statements of the Company and its subsidiaries have been consolidated on line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances, intra-group transactions and resulting unrealized profits or losses.
- (c) The excess of cost of investment in the subsidiary over the Group's portion of equity of the subsidiary, at the date on which investment is made, is recognized in the financial statements as Goodwill on Consolidation.
- (d) The excess of Group's portion of equity of the subsidiary over the cost of the investments by the Group, at the date on which investments is made, is treated as Capital Reserve on Consolidation.
- (e) The Goodwill / Capital Reserve is determined separately for each subsidiary company and such amounts are not set off between different entities.
- (f) Non-controlling Interests in the net assets of the subsidiaries consist of :
 - (i) The amount of equity attributable to non-controlling interest at the date on which investment is made; and
 - (ii) The non-controlling interest's share of movements in the equity since the date

The list of subsidiary companies which are included in the consolidation and the Group's holdings therein are as under:

| Name of the Subsidiary (with effect from 1st February 2022) | Incorporated in | Percentage of Holding and Voting power (%) |
|--|-----------------|--|
| | | As at March 31, 2024 |
| Forbes Aquatech Limited | India | 88.49 |
| Infinite Water Solutions Private Limited | India | 100 |
| Euro Forbes Limited * | UAE | 100 |
| Forbes Lux FZE * | UAE | 100 |

* The management of these 2 subsidiaries have changed the basis of accounting from going concern basis to liquidation basis. This change of basis was adopted considering that management intends to cease operations of these companies and liquidate them.

(i) Jointly Controlled Entities and Associates:

Interests in jointly controlled entities comprise of the share of the Group's interest in a company in which the Group has acquired joint control over its economic activities by contractual agreement.

the parent-subsidiary relationship came into existence. The losses applicable to the non-controlling interest in a consolidated subsidiary may exceed the non-controlling interest in the equity of subsidiary. The excess, and any further losses applicable to the non-controlling interest, are adjusted against the controlling interest except to the extent that the non-controlling interest has a binding obligation to, and is able to, make good the losses.

- (g) Figures pertaining to the subsidiaries have been reclassified wherever necessary to bring them in line with the Company's financial statements.

(h) Subsidiaries

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Control is achieved when the company has:

- Power over the investee
- Is exposed or has rights to variable returns from its involvement with the investee, and
- has the ability to use its Power over the investee to affect its returns

Subsidiaries are included in the consolidated financial statements from the point in time at which the control is transferred to the Group and are no longer included in the consolidated financial statements from the point in time at which the control ceases.

Entities are consolidated as Jointly controlled entities or associates when the Group, either directly or indirectly, has a long-term holding usually corresponding to at least 20% but not more than 50% of the voting rights and on the basis of which the Group has a joint control or significant influence during the year, unless it can be clearly proven otherwise.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on March 31, 2024

Interests in jointly controlled entities and associate companies are included in the consolidated financial statements of the Group from the point in time at which the joint control or significant influence is transferred to the Group and are no longer included in the consolidated financial statements from the point in time at which the joint control or significant influence ceases. Interests in joint ventures and associate entities are aggregated in the consolidated financial statements by using Equity Method specified in Indian Accounting standard (Ind AS) 28.

The Group's holdings in jointly controlled entities and associate companies are reported in the Consolidated Balance Sheet at an amount corresponding to the Group's share of the jointly controlled entities and associate companies' net assets including goodwill / capital reserve on consolidation and any impairment.

When the Group's share of any accumulated losses exceed the acquisition value of an investment, the book value is set to zero and the reporting of future losses ceases, unless the Group is committed on the basis of guarantees or other obligations to the company in question.

The portion of unrealised profits and losses corresponding to the Group's participation in the jointly controlled entity and associate company is eliminated in conjunction with transactions between the Group and the jointly entities and associate companies; however unrealised losses are not eliminated if the cost of the transferred asset cannot be recovered. The corresponding adjustment is made to the value of investments in the jointly controlled entities and associate companies.

NOTE 2: MATERIAL ACCOUNTING POLICIES

(a) (i) 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 re-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.

(ii) Foreign Subsidiaries

The consolidated financial statements includes two subsidiaries (previous year: nil) incorporated outside India whose financial statements have been drawn up in accordance with the generally accepted accounting practices (GAAP) as applicable in those countries. These financial statements have been re-stated in Indian Rupees and the resultant exchange gain / loss on conversion has been carried forward as Foreign Currency Translation Reserve. In the opinion of the Management, based on the analysis of the significant transactions at subsidiaries, no material adjustments are required to be made to comply with group accounting policies / Indian GAAP.

(b) Financial Instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

(j) 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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on March 31, 2024

- 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)s

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 Group can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserve for 'equity instruments through other comprehensive income'.

Financial 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.

(c) Derecognition

Financial Assets

The group 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 group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the group 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 group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The group also derecognises a financial liability when its terms are modified and the cash flows under the

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on March 31, 2024

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 group 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 asset

The Group 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 Group 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 Group follows 'simplified approach' for recognition of impairment loss allowance for trade receivables. The application of simplified approach does not require the Group 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 group 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 Group 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 Entity's historical experience and informed credit assessment and including forward- looking information.

(ii) Impairment of non-financial assets

The Entity'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 Entity'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 to 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 Entity reviews at each reporting date whether there is

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on March 31, 2024

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 amortization, 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. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet and are not considered as integral part of Group's cash management.

(f) Inventories

Inventories are measured at the lower of cost or 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 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.

Property, plant and equipment acquired in a business combination are recognised at fair value at the acquisition date.

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

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 (as applicable) are as follows –

In the case of Indian Entities

| 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 to 5 years |

In the case of Foreign Entities

| Type of Assets | Period |
|---------------------------------|--------------|
| Vehicles | 5 years |
| Furniture and Office Equipments | 2 to 5 years |

(h) Goodwill and other Intangible assets

Intangible assets are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortization and any accumulated impairment losses.

An intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use;
- the intention to complete the intangible asset and use;
- the ability to use the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use the intangible asset; and

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on March 31, 2024

- (vi) the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Amortization

Intangible assets acquired in a business combination are recognised at fair value at the acquisition date. Subsequently, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any.

The useful lives of intangible assets are assessed as finite or indefinite. Finite-life intangible asset are amortised on a Straight line basis over the period of their estimated useful lives. Estimated useful lives by major class of finite life intangible assets are as follow:

| Type of Assets | Period |
|-------------------------------|----------|
| Technical Knowhow | 5 years |
| Computer Software | 5 years |
| Distributor network – Service | 10 years |
| Distributor network - Product | 10 years |

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

Indefinite - life intangible assets comprises of Brand Name / Trademarks for which there is no foreseeable Limit to the period over which they are expected to generate net cash inflows. These are considered to have an indefinite life, given the strength and durability of the brands and the level of marketing support.

For Indefinite life intangible assets, the assessment of indefinite life is reviewed annually to determine whether it continues, if not, it is impaired or changed prospectively basis revised estimates.

Goodwill is initially recognised based on the accounting policy for Business combination and is tested for impairment annually.

(i) Employee Benefits

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 group 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.

Defined Contribution Plans

Defined contribution plans are employee state insurance scheme and Government administered pension fund scheme for all applicable employees and superannuation scheme for eligible employees. The group's contribution to defined contribution plans are recognised in the Statement of Profit and Loss in the consolidated 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 / deposited to EPFO. 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.

Defined Benefit Plans

Gratuity Scheme

The Group operates a defined benefit gratuity plan for employees. The Group contributes to a separate trust administered by the Group towards meeting the Gratuity obligation. The Group's liability is determined on the basis of an actuarial valuation. Remeasurements of the net defined benefit liability as per the actuarial valuation report, which comprise actuarial gains and losses are recognised in OCI.

In the case of certain Indian Subsidiaries

In case of certain Indian Subsidiaries, the gratuity liability is unfunded. The group accounts for gratuity benefits payable in future based on the calculation performed annually by a qualified actuary using the projected unit credit method at the end of the year. Actuarial Gains and Losses are recognized in OCI.

Other long term employee benefits

Entitlements to annual leave are recognised when they accrue to employees. The Group determines the liability for such accumulated leaves using the Projected Accrued Benefit method with actuarial valuations being carried out at each Balance Sheet date.

There are other Group companies that have internal or external pension plans. However, these plans are not material for the Group and therefore no further information is disclosed.

Since the above pension plans are operated as per the laws of respective countries, no adjustment has been carried out for differences if any with Indian GAAP as the same is considered to be immaterial.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on March 31, 2024

(j) Employee stock option scheme policy

Employees of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised in employee benefits expense (Note 27), together with a corresponding increase in equity, over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and are the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions. No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award

is expensed immediately through profit or loss. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share (refer Note 32).

(k) Research and Development

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following conditions have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

(l) 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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on March 31, 2024

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.

(i) The Group as a lessee

The Group's lease asset classes primarily consist of leases for Premises. The group 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 group assesses whether: (1) the contract involves the use of an identified asset (2) the group has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group 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 Group 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 Group, 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 Group 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 Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on March 31, 2024

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 Group has entered into lease arrangements as a lessee for premises for operating customer relationship centre, guest houses, head office and regional offices, residential premises for their employees so as to help the employees to get settled to new location and warehouse for receiving, storing and dispatch of goods and vehicles. The average term of leases entered into is 3 years. In case 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.

(ii) The Group as a lessor

Leases for which the Group 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 Group 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.

(m) Revenue Recognition

The Group 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 group, same is accounted as a separate performance obligation. Payment of the transaction price is due immediately when the customer purchases the goods/services except in certain cases where a credit term is agreed between group and customers.

Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur. An estimate is made for goods that will be returned and a liability has been recognised for this amount as refund liability (included in other current liabilities). An asset has also been recorded (included in other current assets) for the corresponding inventory that is estimated to return to the group using a best estimate based on accumulated experience.

Group's obligation to repair or replace faulty products under the standard warranty terms is recognised as provision.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on March 31, 2024

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.

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.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to tax authorities. Also refer Note 33A 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.

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.

Uncertain Tax position

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate. The provision is estimated based on one of two methods, the expected value method (the sum of the probability weighted amounts in a range of possible outcomes) or the single most likely amount method, depending on which is expected to better predict the resolution of the uncertainty.

(o) Earnings Per Share

The group 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 group 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.

(p) Provisions and Contingencies

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on March 31, 2024

(q) Goodwill On Consolidation

Goodwill is deemed to have an indefinite useful life and is reported at acquisition value with deduction for accumulated impairments. Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value-in-use and fair value less cost to sell. The goodwill impairment test is performed at the level of the cash generating unit or groups of cash-generating units which are benefitting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes.

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.

(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) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. The Board of Directors of the respective group companies assess the financial performance and position of the Group and makes strategic decisions. The Board of Directors, which have been identified as being the Chief Operating Decision Maker, consists of the key managerial personnel and the directors who are in charge of the corporate planning. Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

(t) Recent Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on March 31, 2024

NOTE 3 : PROPERTY, PLANT AND EQUIPMENT

| Gross Block (refer note (a)) | Freehold Land (refer note (b)) | Buildings (refer note (b)) | Plant and Machinery (refer note (c)) | Assets- on lease (refer note (d)) | Electrical Installation & Equipment | Laboratory Equipment | Office Equipment | Furniture and Fixtures | Vehicles | Computers | Total |
|---------------------------------|---|----------------------------------|---|--|--|-------------------------|---------------------|------------------------------|----------|-----------|------------|
| | | | | | | | | | | | ₹ in Lakhs |
| As at 01 April 2022 | 6,405.00 | 14,710.53 | 4,568.36 | - | 219.94 | 113.30 | 83.83 | 229.98 | 904.78 | 729.39 | 27,965.11 |
| Additions | - | 102.72 | 939.50 | 7.19 | 61.57 | 16.31 | 18.11 | 43.31 | 592.99 | 103.01 | 1,884.71 |
| Deletions | - | - | (237.13) | - | (15.07) | (3.54) | (8.45) | (22.06) | (359.77) | (24.62) | (670.64) |
| As at March 31, 2023 | 6,405.00 | 14,813.25 | 5,270.73 | 7.19 | 266.44 | 126.07 | 93.49 | 251.23 | 1,138.00 | 807.78 | 29,179.18 |
| Additions | - | 99.10 | 1,434.94 | - | 31.65 | 13.29 | 36.90 | 68.20 | 24.59 | 255.72 | 1,964.39 |
| Deletions | - | - | (174.12) | - | (18.95) | (26.78) | (16.03) | (28.61) | (163.53) | (77.63) | (505.65) |
| As at March 31, 2024 | 6,405.00 | 14,912.35 | 6,531.55 | 7.19 | 279.14 | 112.58 | 114.36 | 290.82 | 999.06 | 985.87 | 30,637.92 |
| Depreciation | | | | | | | | | | | |
| As at 01 April 2022 | - | 71.32 | 85.70 | - | 5.85 | 3.52 | 12.29 | 19.18 | 61.84 | 52.77 | 312.47 |
| Charge for the year | - | 442.13 | 765.99 | 0.90 | 36.61 | 23.55 | 23.34 | 35.94 | 356.81 | 270.44 | 1,955.71 |
| Deletions | - | - | (228.69) | - | (1.83) | (0.79) | (1.93) | (2.74) | (141.34) | (8.16) | (385.48) |
| As at March 31, 2023 | - | 513.45 | 623.00 | 0.90 | 40.63 | 26.28 | 33.70 | 52.38 | 277.31 | 315.05 | 1,882.70 |
| Charge for the year | - | 444.88 | 539.38 | 1.14 | 35.43 | 21.72 | 20.83 | 37.62 | 252.92 | 267.96 | 1,621.88 |
| Deletions | - | - | (82.80) | - | (4.32) | (9.32) | (11.34) | (18.07) | (79.21) | (22.08) | (227.14) |
| As at March 31, 2024 | - | 958.33 | 1,079.58 | 2.04 | 71.74 | 38.68 | 43.19 | 71.93 | 451.02 | 560.93 | 3,277.44 |
| Net Block | | | | | | | | | | | |
| As at March 31, 2023 | 6,405.00 | 14,299.80 | 4,647.73 | 6.29 | 225.81 | 99.79 | 59.79 | 198.85 | 860.69 | 492.73 | 27,296.48 |
| As at March 31, 2024 | 6,405.00 | 13,954.02 | 5,451.97 | 5.15 | 207.40 | 73.90 | 71.17 | 218.89 | 548.04 | 424.94 | 27,360.48 |

Notes:

- Refer Note 42 for assets pledged as security.
- The Title Deeds in respect of freehold land and buildings which has been acquired in business combination, are held in the name of erstwhile Eureka Forbes Limited. The company is in the process of transferring the above freehold land and Buildings in its own name.
- Includes moulds given on Lease has a useful life of 15 years and depreciated accordingly.
- Assets given on Lease have a useful life of 6 years and depreciated accordingly.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on March 31, 2024

NOTE 4 : RIGHT OF USE ASSETS

₹ in Lakhs

| Gross Block | Leasehold land# | ROU Assets– Buildings | Total |
|-----------------------------|-----------------|--------------------------|-----------------|
| As at 01 April 2022 | 345.01 | 1,438.52 | 1,783.53 |
| Additions | - | 2,013.94 | 2,013.94 |
| Deletions | - | (513.27) | (513.27) |
| As at March 31, 2023 | 345.01 | 2,939.19 | 3,284.20 |
| Additions | - | 549.50 | 549.50 |
| Deletions | - | (246.76) | (246.76) |
| As at March 31, 2024 | 345.01 | 3,241.93 | 3,586.94 |
| Depreciation | | | |
| As at 01 April 2022 | 0.86 | 192.36 | 193.22 |
| Charge for the year | 5.30 | 1,140.07 | 1,145.37 |
| Deletions | - | (175.38) | (175.38) |
| As at March 31, 2023 | 6.16 | 1,157.05 | 1,163.21 |
| Charge for the year | 5.30 | 1,248.55 | 1,253.85 |
| Deletions | - | (159.02) | (159.02) |
| Adjustments | - | (265.89) | (265.89) |
| As at March 31, 2024 | 11.46 | 1,980.69 | 1,992.15 |
| Net Block | | | |
| As at March 31, 2023 | 338.85 | 1,782.14 | 2,120.99 |
| As at March 31, 2024 | 333.55 | 1,261.24 | 1,594.79 |

#Refer Note 42 for assets pledged as security.

NOTE 5a : GOODWILL

₹ in Lakhs

| Gross Block | Goodwill on business Combination | Total |
|-----------------------------|--|-------------------|
| As at 01 April 2022 | 205,581.67 | 205,581.67 |
| Additions | - | - |
| Deletions | - | - |
| As at March 31, 2023 | 205,581.67 | 205,581.67 |
| Additions | - | - |
| Deletions | - | - |
| As at March 31, 2024 | 205,581.67 | 205,581.67 |
| Impairment | | |
| As at 01 April 2022 | - | - |
| Charge for the year | - | - |
| Deletions | - | - |
| As at March 31, 2023 | - | - |
| Charge for the year | - | - |
| Deletions | - | - |
| As at March 31, 2024 | - | - |
| Net Block | | |
| As at March 31, 2023 | 205,581.67 | 205,581.67 |
| As at March 31, 2024 | 205,581.67 | 205,581.67 |

Refer Note 33S for Impairment testing of goodwill and intangible assets with indefinite useful life.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on March 31, 2024

NOTE 5b: GOODWILL ON CONSOLIDATION

| | ₹ in Lakhs | |
|-----------------------------|---------------------------|---------------|
| Gross Block | Goodwill on Consolidation | Total |
| As at 01 April 2022 | 299.46 | 299.46 |
| Additions | - | - |
| Deletions | - | - |
| As at March 31, 2023 | 299.46 | 299.46 |
| Additions | - | - |
| Deletions | - | - |
| As at March 31, 2024 | 299.46 | 299.46 |
| Impairment | | |
| As at 01 April 2022 | - | - |
| Charge for the year | - | - |
| Deletions | - | - |
| As at March 31, 2023 | - | - |
| Charge for the year | - | - |
| Deletions | - | - |
| As at March 31, 2024 | - | - |
| Net Block | | |
| As at March 31, 2023 | 299.46 | 299.46 |
| As at March 31, 2024 | 299.46 | 299.46 |

NOTE 6a: OTHER INTANGIBLE ASSETS

| | ₹ in Lakhs | | | | | |
|-----------------------------|-------------------|-----------------------------|-----------------------------|-------------------|-------------------------|-------------------|
| Gross Block | Computer Software | Distributor network-Service | Distributor network-Product | Technical Knowhow | Brand Name / Trademarks | Total |
| As at 01 April 2022 | 126.74 | 20,557.83 | 3,966.24 | 19.79 | 291,119.26 | 315,789.86 |
| Additions | - | - | - | - | - | - |
| Deletions | - | - | - | - | - | - |
| As at March 31, 2023 | 126.74 | 20,557.83 | 3,966.24 | 19.79 | 291,119.26 | 315,789.86 |
| Additions | 1,194.13 | - | - | - | - | 1,194.13 |
| Deletions | - | - | - | - | - | - |
| As at March 31, 2024 | 1,320.87 | 20,557.83 | 3,966.24 | 19.79 | 291,119.26 | 316,983.99 |
| Depreciation | | | | | | |
| As at 01 April 2022 | 28.44 | 342.63 | 66.10 | 19.79 | - | 456.96 |
| Charge for the year | 92.59 | 2,055.78 | 396.62 | - | - | 2,544.99 |
| Deletions | - | - | - | - | - | - |
| As at March 31, 2023 | 121.03 | 2,398.41 | 462.72 | 19.79 | - | 3,001.95 |
| Charge for the year | 74.57 | 2,055.78 | 396.62 | - | - | 2,526.97 |
| Deletions | - | - | - | - | - | - |
| As at March 31, 2024 | 195.60 | 4,454.19 | 859.34 | 19.79 | - | 5,528.92 |
| Net Block | | | | | | |
| As at March 31, 2023 | 5.71 | 18,159.42 | 3,503.52 | - | 291,119.26 | 312,787.91 |
| As at March 31, 2024 | 1,125.27 | 16,103.64 | 3,106.90 | - | 291,119.26 | 311,455.07 |

Notes:

Refer Note 33S for Impairment testing of goodwill and intangible assets with indefinite useful life.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on March 31, 2024

NOTE 6b: INTANGIBLE ASSETS UNDER DEVELOPMENT

₹ in Lakhs

| Movement of intangible assets under development | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Opening balance | 245.93 | – |
| Add: Additions during the year | 598.71 | 245.93 |
| Less: Capitalized during the year | (722.45) | – |
| Closing balance | 122.19 | 245.93 |

₹ in Lakhs

| Amount of intangible assets under development for a period of | As at March 31, 2024 | | As at March 31, 2023 | |
|--|-------------------------|--------------------------------------|-------------------------|--------------------------------------|
| | Projects in progress | Projects temporarily suspended | Projects in progress | Projects temporarily suspended |
| Less than 1 year | 122.19 | - | 245.93 | - |
| 1-2 years | - | - | - | - |
| 2-3 years | - | - | - | - |
| More than 3 years | - | - | - | - |
| Total | 122.19 | - | 245.93 | - |

NOTE 7 : INVESTMENTS

₹ in Lakhs

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Non-current Investments | | |
| Unquoted Investments (all fully paid up) | | |
| Investments in Equity Instruments | | |
| 14,286 (March 31, 2023: 14,286) equity shares of ₹ 10 fully paid up in Water Quality Association (Refer Note below) | 1.42 | 1.43 |
| Total Unquoted Investments at cost | 1.42 | 1.43 |
| Total Non-current Investment | 1.42 | 1.43 |
| Aggregate value of unquoted investments and market value thereof | 1.42 | 1.43 |

Note: The Group has invested in 14,286 shares of face value ₹ 10 each in a non profit making organisation hence the fair value has been considered same as the carrying value.

₹ in Lakhs

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Current Investments | | |
| Unquoted Investments in Mutual Funds | | |
| Nippon India Liquid Fund - Growth Plan Growth Option: 55,815.86 units (March 31, 2023: 55,815.86 units) | 3,261.68 | 3,043.76 |
| Tata Liquid Fund - Regular Plan - Growth: 59,228.91 units (March 31, 2023: 1,28,929.77 units) | 2,233.16 | 4,536.19 |
| Total Current Investment | 5,494.84 | 7,579.95 |
| Aggregate value of unquoted investments and market value thereof | 5,494.84 | 7,579.95 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on March 31, 2024

NOTE 8 : TRADE RECEIVABLES

₹ in Lakhs

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Non-current Trade Receivables | | |
| Unsecured, credit impaired | 361.75 | 361.75 |
| Less: Allowance for doubtful debts | (361.75) | (361.75) |
| Total Non-current Trade Receivables | - | - |

₹ in Lakhs

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Current Trade Receivables | | |
| Unsecured, considered good | 13,751.84 | 12,366.95 |
| Unsecured, credit impaired | 878.72 | 3,582.15 |
| Less: Allowance for doubtful debts | (878.72) | (3,582.15) |
| Total Current Trade Receivables | 13,751.84 | 12,366.95 |

Ageing for trade receivables from the due date of payment for each of the category as at March 31, 2024:

₹ in Lakhs

| Outstanding for following periods from due date of payment | Undisputed Trade Receivables– Considered good | Undisputed Trade Receivables– Credit impaired | Disputed Trade Receivables– Considered good | Disputed Trade Receivables– Credit impaired |
|--|--|--|--|--|
| Not due | 10,481.44 | - | - | - |
| Less than 6 months | 2,564.47 | - | - | - |
| 6 months–1 year | 501.03 | 56.67 | - | - |
| 1-2 years | 130.36 | 272.22 | - | - |
| 2-3 years | 74.11 | 93.34 | - | - |
| More than 3 years | 0.43 | 818.24 | - | - |
| Total (A) | 13,751.84 | 1,240.47 | - | - |
| Less: Allowance for expected credit loss (B) | - | (1,240.47) | - | - |
| Total [(A)–(B)] | 13,751.84 | - | - | - |

Ageing for trade receivables from the due date of payment for each of the category as at March 31, 2023:

₹ in Lakhs

| Outstanding for following periods from due date of payment | Undisputed Trade Receivables– Considered good | Undisputed Trade Receivables– Credit impaired | Disputed Trade Receivables– Considered good | Disputed Trade Receivables– Credit impaired |
|--|--|--|--|--|
| Not due | 6,006.50 | - | - | - |
| Less than 6 months | 5,607.49 | 20.28 | - | - |
| 6 months–1 year | 688.41 | 426.30 | - | - |
| 1-2 years | 64.55 | 917.88 | - | - |
| 2-3 years | - | 1,163.04 | - | - |
| More than 3 years | - | 1,416.40 | - | - |
| Total (A) | 12,366.95 | 3,943.90 | - | - |
| Less: Allowance for expected credit loss (B) | - | (3,943.90) | - | - |
| Total [(A)–(B)] | 12,366.95 | - | - | - |

Notes:

- The Group's exposure to credit risk and loss allowances related to trade receivables are disclosed in Note 41.
- The Group uses simplified approach for trade receivable for calculating expected credit loss. Accordingly the Group does not track changes in credit risk of individual trade receivable.
- Refer Note 42 for receivables pledged as security against borrowings.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on March 31, 2024

NOTE 9 : LOANS

| Particulars | ₹ in Lakhs | |
|------------------------------|-------------------------|-------------------------|
| | As at March 31, 2024 | As at March 31, 2023 |
| Current Loans | | |
| Loans to Employees | | |
| - Unsecured, considered good | 48.07 | 6.52 |
| Total Current Loans | 48.07 | 6.52 |

NOTE 10 : OTHER FINANCIAL ASSETS

| Particulars | ₹ in Lakhs | |
|---|-------------------------|-------------------------|
| | As at March 31, 2024 | As at March 31, 2023 |
| Other Non-current Financial Assets | | |
| Bank deposits with more than 12 months maturity | 45.71 | 4.35 |
| Deposit with Banks held as Margin Money | 801.63 | 804.10 |
| Security deposits - unsecured considered good | 421.11 | 363.17 |
| Total Other Non-current Financial Assets | 1,268.45 | 1,171.62 |
| Other Current Financial Assets | | |
| Security deposits-unsecured considered good | 90.70 | 93.82 |
| Total Other Current Financial Assets | 90.70 | 93.82 |

NOTE 11 : INCOME TAX ASSETS AND LIABILITIES

| Particulars | ₹ in Lakhs | |
|--|-------------------------|-------------------------|
| | As at March 31, 2024 | As at March 31, 2023 |
| Income tax assets (Net) | | |
| Advance income-tax (net of Provision for Taxation) | 3,117.80 | 2,429.67 |
| Total Non-current Income tax assets | 3,117.80 | 2,429.67 |
| Income tax Liabilities (Net) | | |
| Provision for Taxation (net of Advance Tax) | 6,476.65 | 1,886.90 |
| Total Current Income tax liabilities | 6,476.65 | 1,886.90 |

NOTE 12 : OTHER ASSETS

| Particulars | ₹ in Lakhs | |
|---|-------------------------|-------------------------|
| | As at March 31, 2024 | As at March 31, 2023 |
| Other Non-current Assets | | |
| Unsecured considered good, unless stated otherwise | | |
| Capital Advances | 150.24 | 145.96 |
| Prepaid Expenses | 66.14 | 107.13 |
| Balance with government authorities | 1,063.03 | 1,051.05 |
| Total Other Non-current Assets | 1,279.41 | 1,304.14 |

| Particulars | ₹ in Lakhs | |
|--|-------------------------|-------------------------|
| | As at March 31, 2024 | As at March 31, 2023 |
| Other Current Assets | | |
| Unsecured considered good, unless stated otherwise | | |
| Prepaid Expenses | 1,127.18 | 1,226.83 |
| Right to Recover Returned Goods (Refer Note (a) below) | 94.95 | 96.75 |
| Balance with government authorities | 2,933.43 | 3,591.50 |
| Advances recoverable in cash or kind | 2,167.39 | 602.91 |
| Advances recoverable in cash or kind - considered doubtful | 3,610.01 | 3,610.01 |
| | 9,932.96 | 9,128.00 |
| Less: Provision for doubtful advances | (3,610.01) | (3,610.01) |
| Total Other Current Assets | 6,322.95 | 5,517.99 |

Notes:

- A return right gives the Group 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on March 31, 2024

NOTE 13 : INVENTORIES

| Particulars | ₹ in Lakhs | |
|--|-------------------------|-------------------------|
| | As at March 31, 2024 | As at March 31, 2023 |
| Inventories (lower of cost or net realisable value) | | |
| Raw Materials, Components and Packing Material (includes in transit ₹ 1,790.15 lakhs (March 31, 2023: ₹ 1,236.64 lakhs)) | 6,008.69 | 5,127.47 |
| Finished Goods (includes in transit: ₹ 513.99 lakhs (March 31, 2023: ₹ 355.62 Lakhs)) | 5,274.62 | 5,141.73 |
| Stock in Trade (includes in transit ₹ 1,286.86 lakhs (March 31, 2023: ₹ 216.31 Lakhs)) | 6,441.68 | 5,797.55 |
| Spares & Accessories (includes in transit: ₹ 25.89 lakhs (March 31, 2023: ₹ 157.99 Lakhs)) | 7,545.71 | 5,889.90 |
| Work-in-Progress | - | 46.46 |
| | 25,270.70 | 22,003.10 |

Refer Note 42 for inventories pledged as security against borrowing.

NOTE 14 : CASH AND CASH EQUIVALENTS AND OTHER BANK BALANCES

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks. 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 | ₹ in Lakhs | |
|---|-------------------------|-------------------------|
| | As at March 31, 2024 | As at March 31, 2023 |
| Balances with Banks in current accounts | 5,546.81 | 1,450.49 |
| Cheques, drafts on hand | 62.15 | 23.02 |
| Cash on hand | 95.63 | 356.44 |
| Deposits with original maturity of less than 3 Months * | 427.58 | 24.59 |
| Total Cash & cash equivalents | 6,132.17 | 1,854.54 |
| Bank Balances other than cash & cash equivalents | | |
| Deposits with original maturity of more than 12 months * | 7.47 | 62.20 |
| Deposits with original maturity of more than 3 months but less than 12 months * | 3,615.03 | 192.19 |
| Total Bank Balances other than cash & cash equivalents | 3,622.50 | 254.39 |
| Cash and cash equivalents as per cash flow statement | 6,132.17 | 1,854.54 |

* Includes a total amount of ₹ 84.09 Lakhs of deposits lodged as security with Government authorities..

NOTE 15 : EQUITY SHARE CAPITAL

| Particulars | Number of shares | Share capital ₹ in Lakhs |
|----------------------------------|---------------------|-----------------------------|
| Authorised Share capital: | | |
| As at April 01, 2022 | 20,00,00,000 | 20,000.00 |
| Increase during the year | 5,00,00,000 | 5,000.00 |
| As at March 31, 2023 | 25,00,00,000 | 25,000.00 |
| Increase during the year | - | - |
| As at March 31, 2024 | 25,00,00,000 | 25,000.00 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on March 31, 2024

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-----------------------------|-------------------------------------|
| Issued and subscribed capital comprises: | | |
| 19,34,79,240 (Previous year: 19,34,79,240) fully paid equity shares of ₹ 10 each | 19,347.92 | 19,347.92 |
| Movement in equity share capital: | Number of shares | Share capital ₹ in Lakhs |
| As at April 01, 2022 | 193,479,240 | 19,347.92 |
| Increase during the year | - | - |
| As at March 31, 2023 | 193,479,240 | 19,347.92 |
| Increase during the year | - | - |
| As at March 31, 2024 | 193,479,240 | 19,347.92 |

- a. 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.
- b. **Details of shares held by the holding Group, the ultimate holding Group, their subsidiaries and associates:**

| Particulars | ₹ in Lakhs | |
|---|-------------------------|-------------------------|
| | As at March 31, 2024 | As at March 31, 2023 |
| Lunolux Limited, Cyprus (Holding Company) | 121,041,730 | 140,389,654 |
| Total as at the end of the year | 121,041,730 | 140,389,654 |

- c. **Details of shares held by each shareholder holding more than 5% shares:**

| Particulars | As at March 31, 2024 | | As at March 31, 2023 | |
|------------------------------|--------------------------|---------------|--------------------------|---------------|
| | Number of shares held | % of holding | Number of shares held | % of holding |
| Lunolux Limited, Cyprus | 121,041,730 | 62.56% | 140,389,654 | 72.56% |
| India Discovery Fund Limited | 13,033,916 | 6.74% | 16,062,569 | 8.30% |
| Total | 134,075,646 | 69.30% | 156,452,223 | 80.86% |

- d. **Details of shareholdings by the Promoters of the Group:**

| Promoter Name | As at March 31, 2024 | | As at March 31, 2023 | | % Change during the year |
|--|--------------------------|--------------|--------------------------|--------------|-----------------------------|
| | Number of shares held | % of holding | Number of shares held | % of holding | |
| Fully paid equity shares | | | | | |
| Lunolux Limited, Cyprus (Holding Company) | 121,041,730 | 62.56% | 140,389,654 | 72.56% | (10.00%) |

- e. **For the period of five years immediately preceding the date as at which the Balance Sheet is prepared:**

- i. **Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash:**

19,34,79,240 Equity shares of ₹ 10 each allotted as fully paid-up pursuant to Scheme of Arrangement approved by the Hon'ble National Company Law Tribunal on January 25, 2022.

- ii. **Aggregate number and class of shares allotted as fully paid up by way of bonus shares:** Nil

- iii. **Aggregate number and class of shares bought back:** Nil

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on March 31, 2024

NOTE 16 : OTHER EQUITY

| Particulars | ₹ in Lakhs | |
|--|-------------------------|-------------------------|
| | As at March 31, 2024 | As at March 31, 2023 |
| Retained earnings | | |
| Balance at beginning of year | 1,963.88 | (217.20) |
| Add/ (less): Profit/ (Loss) for the year | 9,563.86 | 2,655.75 |
| Other comprehensive income arising from re-measurement of defined benefit obligation, net of tax | (237.27) | (474.67) |
| Balance at end of the year | 11,290.47 | 1,963.88 |
| Securities Premium | | |
| Balance at beginning of the year | 387,063.45 | 387,063.45 |
| Add: Addition during the year | - | - |
| Balance at end of the year | 387,063.45 | 387,063.45 |
| Capital reserve | | |
| Balance at beginning of the year | 1,413.14 | 1,413.14 |
| Add: Addition during the year | - | - |
| Balance at end of the year | 1,413.14 | 1,413.14 |
| Employee stock option scheme reserve | | |
| Balance at beginning of the year | - | - |
| Add: Addition during the year (Refer Note 37) | 3,448.76 | - |
| Balance at end of the year | 3,448.76 | - |
| Forex Currency Translation Reserve | | |
| Balance at beginning of the year | (23.95) | (0.31) |
| Add: Addition during the year | 24.58 | (23.64) |
| Balance at end of the year | 0.63 | (23.95) |
| Total Other Equity | 403,216.45 | 390,416.52 |

Description of nature and purpose of reserves:

Retained Earnings

This reserve represents the cumulative profits of the Group and the effects of remeasurement of defined benefit obligations. The reserve can be utilised in accordance with the provision of the Companies Act, 2013.

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.

Capital Reserve

The Capital reserve has been created on cancellation of shares held by then existing shareholders of the Group as per the composite scheme of arrangement approved by the national Group Law tribunal on January 25, 2022.

Employee stock option scheme reserves

The share-based payments reserve is used to recognise the value of equity settled share-based payments provided to employees, including key management personnel, as part of their remuneration. Refer to Note 37 for further details of these plans.

Forex Currency Translation Reserve

Exchange differences relating to the translation of the results and net assets of Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. ₹) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. Gain and losses on derivatives that are designated as hedging instruments for hedges of net investments in foreign operations are included in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve (in respect of translating both the net assets of foreign operations and hedges of foreign operations) are reclassified to profit or loss on the disposal of foreign operations.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on March 31, 2024

NOTE 17 : BORROWINGS

| Particulars | ₹ in Lakhs | |
|---|-------------------------|-------------------------|
| | As at March 31, 2024 | As at March 31, 2023 |
| Non-current Borrowings | | |
| Secured – at amortised cost | | |
| Term loans | | |
| Banks–Rupee Term loan (Refer Note (a) below) | - | 2,470.94 |
| Total Non-current Borrowings | - | 2,470.94 |
| Current Borrowings | | |
| Secured – at amortised cost | | |
| Term loans | | |
| Banks–Rupee Term loan (Refer Note (a) below) | 2,491.97 | 2,517.62 |
| Loans repayable on demand | | |
| Banks - Cash credit/Buyers credit (Refer Note (b) to (c) below) | - | 7,113.78 |
| Total Current Borrowings | 2,491.97 | 9,631.40 |

- Rupee Term loan (RTL) from ICICI Bank amounting to ₹ 10,000.00 lakhs (Outstanding as on March 31, 2024 ₹ 2,500.00 lakhs (March 31, 2023: ₹ 5,000.00 lakhs)) carries interest rate of 1 year MCLR and secured against pari passu charge on tangible assets (Excluding vehicles and two wheelers purchased under Employee Benefit Scheme). The outstanding amount is payable in 4 equal quarterly instalment starting from June 19, 2024.
- Secured Short term borrowing from banks is secured by pari-passu charge on hypothecation of stock-in-trade and book debts and carries interest @ 7.50% p.a to 10.60% p.a. during FY 2023-24.
- Working Capital term loan, include Guaranteed Emergency Credit Line (GECL) of Nil (March 31, 2023: ₹ 39.88 lakhs) sanctioned and disbursed on December 11, 2020. This loan was sanctioned under Government of India Emergency Credit Line Scheme by State Bank of India SME Branch, Dehradun. GECL is secured by hypothecation of the Group's subsidiary's entire stock of inventories and receivables and is collaterally charged by movable property, plant and equipment of the Group's subsidiary. Total tenure of GECL was 48 months, with moratorium of 12 months, wherein interest at 7.40% p.a is payable for full tenure of 48 months at monthly frequency on closing balance, while principal was repayable in 36 monthly instalments from December 2021 onwards. The borrowing has been repaid in full.
- No amount are pending to be utilised from the borrowings outstanding as on March 31, 2024.
- The Group has not been declared wilful defaulter by any bank or financial institution or other lender.

NOTE 18 : TRADE PAYABLES

| Particulars | ₹ in Lakhs | |
|---|-------------------------|-------------------------|
| | As at March 31, 2024 | As at March 31, 2023 |
| Total outstanding dues of micro enterprises and small enterprises | 6,936.87 | 6,774.72 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises (Refer Note (a) below for dues to Micro and Small Enterprises) | 12,427.39 | 14,090.85 |
| Total Trade Payables | 19,364.26 | 20,865.57 |

Ageing for trade payables from the due date of payment for each of the category as at March 31, 2024:

| Outstanding for following periods from due date of payment | ₹ in Lakhs | | | |
|--|-----------------------|------------------------|---------------------|----------------------|
| | Undisputed dues- MSME | Undisputed dues–Others | Disputed dues- MSME | Disputed dues–Others |
| Not due | 6,934.68 | 9,588.75 | - | - |
| Less than 1 year | 2.19 | 2,631.75 | - | - |
| 1-2 years | - | 164.47 | - | - |
| 2-3 years | - | 22.08 | - | - |
| More than 3 years | - | 14.43 | - | 5.91 |
| Total | 6,936.87 | 12,421.48 | - | 5.91 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on March 31, 2024

Ageing for trade payables from the due date of payment for each of the category as at March 31, 2023:

| Outstanding for following periods from due date of payment | ₹ in Lakhs | | | |
|--|-----------------------|-------------------------|---------------------|-----------------------|
| | Undisputed dues- MSME | Undisputed dues- Others | Disputed dues- MSME | Disputed dues- Others |
| Not due | 6,771.98 | 8,688.34 | - | - |
| Less than 1 year | 2.74 | 5,124.95 | - | - |
| 1-2 years | - | 233.87 | - | - |
| 2-3 years | - | 2.01 | - | - |
| More than 3 years | - | 35.77 | - | 5.91 |
| Total | 6,774.72 | 14,084.94 | - | 5.91 |

Note (a): 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 | ₹ in Lakhs | |
|---|----------------------|----------------------|
| | As at March 31, 2024 | As at March 31, 2023 |
| (i) Principal amount remaining unpaid to MSME suppliers as on year end | 6,932.04 | 6,769.84 |
| (ii) Interest due on unpaid principal amount to MSME suppliers as on year end | 4.83 | 4.88 |
| (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 | 4.83 | 4.88 |
| (vi) The amount of interest due and payable to be disallowed under Income Tax Act, 1961 | 4.83 | 4.88 |

NOTE 19 : OTHER FINANCIAL LIABILITIES

| Particulars | ₹ in Lakhs | |
|--|----------------------|----------------------|
| | As at March 31, 2024 | As at March 31, 2023 |
| Other Current Financial Liabilities | | |
| Interest free trade deposits | 5,141.53 | 4,580.01 |
| Others: | | |
| Dues to employees | 6,887.57 | 5,356.85 |
| Dues on account of customer rebate schemes and other contractual liabilities | 6,387.21 | 5,178.96 |
| Unclaimed dividend | 0.01 | 0.01 |
| Other payables | - | 0.47 |
| Total Other Current Financial Liabilities | 18,416.32 | 15,116.30 |

NOTE 20 : LEASE LIABILITIES

| Particulars | ₹ in Lakhs | |
|-------------------------------|----------------------|----------------------|
| | As at March 31, 2024 | As at March 31, 2023 |
| Non-current Lease liabilities | 409.66 | 857.15 |
| Current Lease liabilities | 972.81 | 1,035.13 |

Refer Note 35 for detailed components of Lease liabilities.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on March 31, 2024

NOTE 21 : PROVISIONS

| Particulars | ₹ in Lakhs | |
|--|-------------------------|-------------------------|
| | As at March 31, 2024 | As at March 31, 2023 |
| Non-current Provisions | | |
| Employee benefits—compensated absences | 360.57 | 230.74 |
| Gratuity payable (Refer Note 36) | 17.10 | 14.74 |
| Total Non-current Provisions | 377.67 | 245.48 |
| Current Provisions | | |
| Employee benefits—compensated absences | 78.08 | 28.27 |
| Gratuity payable (Refer Note 36) | 385.04 | 561.56 |
| Other provisions | | |
| Warranties (Refer Note 33I - B) | 1,852.09 | 1,787.28 |
| Others (Refer Note 33I - A) | 51.25 | 51.25 |
| Total Current Provisions | 2,366.46 | 2,428.36 |

NOTE 22 : OTHER LIABILITIES

| Particulars | ₹ in Lakhs | |
|---|-------------------------|-------------------------|
| | As at March 31, 2024 | As at March 31, 2023 |
| Other Non-current Liabilities | | |
| Contract Liabilities - Income received in advance (Refer Note 33J) | 12,879.35 | 11,728.79 |
| Deductions from employees for Group's assets | 271.33 | 469.15 |
| Total Other Non-current Liabilities | 13,150.68 | 12,197.94 |
| Other Current Liabilities | | |
| Contract Liabilities - Income received in advance (Refer Note 33J) | 37,707.35 | 39,099.28 |
| Deductions from employees for Group's assets | 846.43 | 836.64 |
| Advance from customers | 1,901.67 | 1,297.45 |
| Contract liabilities - Others (Refer Note (a) below) | 305.42 | 29.63 |
| Refund liabilities (Refer Note (b) below) | 2,567.28 | 2,092.84 |
| Statutory liabilities (Contributions to PF, pension, ESIC, withholding taxes, VAT, GST, etc.) | 1,765.07 | 1,172.29 |
| Total Other Current Liabilities | 45,093.22 | 44,528.13 |

Notes:

- Contract liability pertains to deferred revenue arising as a separate performance obligation.
- The Group 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.

NOTE 23 : DEFERRED TAX BALANCES (NET)

| Particulars | ₹ in Lakhs | |
|--|-------------------------|-------------------------|
| | As at March 31, 2024 | As at March 31, 2023 |
| The following is the analysis of deferred tax (assets)/liabilities presented in the balance sheet: | | |
| Deferred tax assets (net) | 125.11 | 127.48 |
| Deferred tax liabilities (net) | 81,135.58 | 81,897.44 |
| Total Deferred tax balances (net) | 81,010.47 | 81,769.96 |

Refer Note 43 for detailed components of Deferred taxes balances.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on March 31, 2024

NOTE 24 : REVENUE FROM OPERATIONS

| Particulars | ₹ in Lakhs | |
|--------------------------------------|------------------------------|------------------------------|
| | Year ended March 31, 2024 | Year ended March 31, 2023 |
| Sale of products | 156,808.88 | 145,122.08 |
| Sale of services | 61,558.96 | 62,835.25 |
| Other operating revenues | | |
| Scrap sales | 305.38 | 282.53 |
| Other | 251.80 | 210.65 |
| Total Revenue from operations | 218,925.02 | 208,450.51 |

NOTE 25 : OTHER INCOME AND OTHER GAINS/ (LOSSES)

| Particulars | ₹ in Lakhs | |
|---|------------------------------|------------------------------|
| | Year ended March 31, 2024 | Year ended March 31, 2023 |
| Other Income | | |
| Interest earned on financial assets that are not designated as at fair value through profit or loss: | | |
| Bank deposits (at amortised cost) | 197.92 | 41.56 |
| Interest Others | 8.20 | 0.39 |
| Interest income on financial assets at amortised cost | - | 2.41 |
| Others | 186.03 | 207.74 |
| Total (A) | 392.15 | 252.10 |
| Other gains/(losses)-net | | |
| Gain on disposal of property, plant and equipment | 60.13 | 516.32 |
| Gain on disposal of Investments at FVTPL | 47.68 | 133.31 |
| Net foreign exchange gains | 1.20 | 13.88 |
| Net gain arising on financial assets measured at FVTPL | 367.21 | 80.33 |
| Gain on modification/disposal of Right of use assets | 9.58 | 27.40 |
| Total (B) | 485.80 | 771.24 |
| Total Other Income and other gains (A+B) | 877.95 | 1,023.34 |

NOTE 26 : COST OF GOODS SOLD

| Particulars | ₹ in Lakhs | |
|--|------------------------------|------------------------------|
| | Year ended March 31, 2024 | Year ended March 31, 2023 |
| Raw Materials, Components and Packing Materials | | |
| Inventory at the beginning of the year | 5,127.47 | 5,422.03 |
| Less: Disclosed under exceptional item | - | (796.79) |
| Add: Purchases | 83,009.90 | 63,846.41 |
| | 88,137.37 | 68,471.65 |
| Less: Inventory at the end of the year | (6,008.68) | (5,127.47) |
| Cost of Raw Materials, Components and Packing Materials consumed | 82,128.68 | 63,344.18 |
| Purchases of stock-in-trade | 10,382.56 | 14,948.30 |
| Changes in inventories of finished goods, spares, stock-in-trade and work-in-progress | (2,386.37) | 3,323.46 |
| Less: Disclosed under exceptional item (Refer note 33T) | (1,268.93) | 1,705.01 |
| Total Changes in inventories of finished goods, spares, stock-in-trade and work-in-progress | (3,655.31) | 5,028.47 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on March 31, 2024

NOTE 27 : EMPLOYEE BENEFITS EXPENSE

₹ in Lakhs

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|--|------------------------------|------------------------------|
| Salaries and Wages | 27,838.10 | 28,479.11 |
| Contribution to provident and other funds | 1,371.62 | 1,431.71 |
| Staff Welfare Expenses | 321.60 | 403.21 |
| Employee stock option scheme (Refer Note 37) | 3,448.76 | - |
| Total Employee benefits expense | 32,980.08 | 30,314.03 |

NOTE 28 : FINANCE COSTS

₹ in Lakhs

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---------------------------------------|------------------------------|------------------------------|
| Interest on bank overdrafts and loans | 759.78 | 1,796.81 |
| Interest on Lease Liabilities | 190.99 | 183.60 |
| Other borrowing costs | 26.68 | 45.51 |
| Total Finance costs | 977.45 | 2,025.92 |

NOTE 29 : DEPRECIATION AND AMORTISATION EXPENSE

₹ in Lakhs

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|--|------------------------------|------------------------------|
| Depreciation of property, plant and equipment | 1,621.88 | 1,955.69 |
| Depreciation of right of use assets | 1,253.85 | 1,145.37 |
| Amortisation of intangible assets | 2,526.97 | 2,545.00 |
| Total Depreciation and amortisation expense | 5,402.70 | 5,646.06 |

NOTE 30 : OTHER EXPENSES

₹ in Lakhs

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|--|------------------------------|------------------------------|
| Electricity Power and fuel | 307.67 | 291.70 |
| Rent | 517.42 | 727.05 |
| Repairs and Maintenance: | | |
| Building | 59.18 | 79.88 |
| Machinery | 35.11 | 45.46 |
| Others | 519.52 | 552.08 |
| Insurance | 547.32 | 584.49 |
| Advertisement | 8,658.52 | 7,602.72 |
| Selling and Sales Promotion | 12,018.99 | 11,397.17 |
| Freight, Forwarding and Delivery | 6,493.71 | 5,563.82 |
| Wages to contractual workers | 1,543.49 | 1,188.31 |
| Payment to Auditors (Refer details below) | 111.92 | 127.30 |
| Printing and Stationery | 103.63 | 113.22 |
| Communication cost | 756.05 | 1,185.05 |
| Travelling and Conveyance | 1,682.39 | 1,517.17 |
| Legal and Professional Fees | 1,478.46 | 4,822.79 |
| Vehicle Running Expenses | 346.72 | 856.89 |
| Rates and taxes, excluding taxes on income | 205.87 | 361.03 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on March 31, 2024

₹ in Lakhs

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|------------------------------|------------------------------|
| Conference Expenses | 914.70 | 1,934.52 |
| Service Charges | 30,027.98 | 29,599.42 |
| Information Technology Expenses | 5,405.87 | 5,306.31 |
| Logistics Expenses | 1,974.53 | 2,003.97 |
| Other Establishment Expenses | 2,904.44 | 3,311.22 |
| Corporate Social Responsibility Expenses (Refer Note 33K) | 51.00 | 21.00 |
| Directors' Sitting Fees | 13.05 | 20.90 |
| Bad Debts/Advances Written-Off | 38.14 | 13.79 |
| Provision for Doubtful Debts / Advances | 123.85 | 795.15 |
| Commission to Directors | 385.00 | 291.50 |
| Total Other expenses | 77,224.53 | 80,313.91 |
| Payment to Auditors | | |
| As Statutory auditor | | |
| For Audit fee (includes Limited Review fees) | 100.61 | 105.00 |
| For other services | 0.50 | 10.29 |
| For reimbursement of expenses | 1.56 | 1.76 |
| As Cost auditor | 7.00 | 5.75 |
| As Tax auditor | 2.25 | 4.50 |
| | 111.92 | 127.30 |

NOTE 31 : INCOME TAX RECOGNISED IN STATEMENT OF PROFIT AND LOSS

₹ in Lakhs

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|--|------------------------------|------------------------------|
| Current tax | | |
| In respect of the current year | 4,084.65 | 2,077.62 |
| In respect of prior years | (1.30) | 3.07 |
| | 4,083.35 | 2,080.69 |
| Deferred tax | | |
| In respect of the current year | (800.95) | (876.75) |
| | (800.95) | (876.75) |
| Total income tax expense recognised in the current year | 3,282.40 | 1,203.94 |

NOTE 32 : 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, 2024 | Year ended March 31, 2023 |
|---|------------------------------|------------------------------|
| | ₹ in Lakhs | ₹ in Lakhs |
| Profit/(Loss) for the year attributable to equity share holders | 9,563.86 | 2,655.75 |
| Face value per equity shares | 10 | 10 |
| Weighted average number of equity shares used in the calculation of basic earnings per share (Nos.) | 19,34,79,240 | 19,34,79,240 |
| Weighted average number of equity shares used in the calculation of basic earnings per share (Nos.) | 19,40,49,754 | 19,34,79,240 |
| Basic earnings per share (₹) | 4.94 | 1.37 |
| Diluted earnings per share (₹) | 4.93 | 1.37 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on March 31, 2024

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, 2024 | Year ended March 31, 2023 |
|---|------------------------------|------------------------------|
| | ₹ in Lakhs | ₹ in Lakhs |
| Profit for the year attributable to owners of the Company | 9,563.86 | 2,655.75 |
| Weighted average number of equity shares for the purposes of basic earnings per share (Quantity in numbers) | 19,34,79,240 | 19,34,79,240 |

Diluted Earnings per share

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

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|------------------------------|------------------------------|
| | ₹ in Lakhs | ₹ in Lakhs |
| Profit for the year attributable to owners of the Company | 9,563.86 | 2,655.75 |
| Weighted average number of equity shares for the purposes of basic earnings per share (quantity in numbers) | 19,34,79,240 | 19,34,79,240 |
| Add: Share deemed to be issued in respect of employee stock option scheme | 5,70,514 | - |
| Weighted average number of equity shares for the purposes of diluted earnings per share (quantity in numbers) | 19,40,49,754 | 19,34,79,240 |

NOTE 33 : ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS

33A Contingent liabilities and commitments (to the extent not provided for)

(a) Contingent liabilities:

- (i) Disputed Income Tax demands*—₹ 2,220.59 lakhs (previous year ₹ 2,303.15 lakhs)
- (ii) Disputed Central Excise demands—₹ 1,551.09 lakhs (previous year ₹ 1,551.09 lakhs)
- (iii) Disputed Sales Tax demands—₹ 3,412.98 lakhs (previous year ₹ 3,397.65 lakhs)
- (iv) Disputed Service Tax demands—₹ 858.03 lakhs (previous year ₹ 1,945.68 lakhs)
- (v) Disputed civil suit—₹ 90.84 lakhs (previous year—₹ 33.73 lakhs)
- (vi) Disputed claims against the Group not acknowledged as debt ₹ 42.85 lakhs (Previous Year ₹ 42.85 lakhs)
- (vii) Disputed Goods and Services Tax demand—₹ 1,602.93 lakhs (previous year ₹ 877.39 lakhs)
- (viii) Disputed claims against the Group for certain Labour Law & related matters estimated at ₹ 42.50 lakhs (previous year ₹ 42.50 lakhs)

* In calculating the tax expense for the current year, the Group 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 year. Based on the same, no additional provision is envisaged necessary as on March 31, 2024 in respect of earlier years and current year.

In respect of all items mentioned above, till the matter are finally decided, the timing of outflow of economic benefit cannot be ascertained.

(b) Commitments:

- (i) Estimated amount of contracts remaining to be executed on capital account and not provided for—₹ 491.73 lakhs (previous year ₹ 172.81 lakhs).
- (ii) Towards product performance ₹ 269.55 lakhs (previous year ₹ 272.69 lakhs)
- (iii) Towards service performance ₹ 65.28 lakhs (previous year ₹ 145.09 lakhs)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on March 31, 2024

33B a.) The Group has given certain office / factory premises and moulds on operating lease basis. Details of which are as follows -

| Particulars | Building | | Plant and Machinery (Moulds) | |
|--------------------------|-------------------------|-------------------------|------------------------------|-------------------------|
| | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024 | As at March 31, 2023 |
| | ₹ in Lakhs | ₹ in Lakhs | ₹ in Lakhs | ₹ in Lakhs |
| Gross Amount | 481.49 | 481.49 | 35.66 | 35.66 |
| Accumulated Depreciation | 179.20 | 159.56 | 31.50 | 29.80 |
| Depreciation | 19.64 | 19.64 | 1.70 | 1.70 |

b.) The Group has given commercial premises under cancellable operating lease. Lease rental income included in the statement of profit and loss for the year is ₹ nil Lakhs (Previous Year ₹ nil Lakhs) for Premises.

33C The Group is primarily engaged in the business of Health, Hygiene 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 Group'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 Group's revenue from external customers for current and previous year.

The Group's main revenue is from sale of water purifiers, spares and servicing.

| Revenue from External Customers: | Year ended March 31, 2024 | Year ended March 31, 2023 |
|----------------------------------|------------------------------|------------------------------|
| | ₹ in Lakhs | ₹ in Lakhs |
| India | 218,790.18 | 207,664.47 |
| Outside India | 134.84 | 786.04 |
| Total Revenue | 218,925.02 | 208,450.51 |

33D The Group did not have any material transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 during the current year and previous year.

33E The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall:

- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

33F The Group has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or
- (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

33G ₹ 1,600.82 lakhs (Previous year ₹ 955.34 lakhs) revenue expenses incurred during the year on Research and Development has been charged to the respective heads of accounts.

33H There are no scheme of arrangements which have been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 during the current year.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on March 31, 2024

33I Disclosures required by Indian Accounting Standard 37 “Provisions, Contingent Liabilities and Contingent Assets”

A)

| Particulars | Year ended March 31, 2024 | | Year ended March 31, 2023 | |
|--------------------------------------|---------------------------|------------|---------------------------|------------|
| | ₹ in Lakhs | ₹ in Lakhs | ₹ in Lakhs | ₹ in Lakhs |
| | Excise Duty | Sales Tax | Excise Duty | Sales Tax |
| At the beginning of the year | 49.96 | 1.29 | 49.96 | 1.29 |
| Additional provision during the year | - | - | - | - |
| Write back during the Year | - | - | - | - |
| At the end of the year | 49.96 | 1.29 | 49.96 | 1.29 |

B) Warranty provision

The Group 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, 2024 | Year ended March 31, 2023 |
|-----------------------------------|------------------------------|------------------------------|
| | ₹ in Lakhs | ₹ in Lakhs |
| At the beginning of the year | 1,787.28 | 1,786.61 |
| Add: Additions during the year* | 1,852.09 | 1,787.28 |
| Less: Utilization during the year | (1,787.28) | (1,786.61) |
| At the end of the year | 1,852.09 | 1,787.28 |

*Included in Service Charges under Other Expenses.

33J 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 Group has received the advance. The service period ranges from 1 year to 4 year Management believes that 75% pertaining to remaining obligation as of the year ended 31 March 2024 will be recognised as revenue during the next financial year, 20% will be recognized as revenue in FY 25-26 and 5% will be recognised in FY 26-27.

Reconciliation of Revenue Recognised with contract price:

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|------------------------------|------------------------------|
| | ₹ in Lakhs | ₹ in Lakhs |
| Contract Price * | 219,200.59 | 206,250.71 |
| Adjustment for | | |
| Less: | | |
| Refund Liabilities - Sales Return estimate | 211.52 | 215.00 |
| Performance Liabilities | 305.42 | 29.63 |
| Unperformed performance obligation at the end the year | 50,586.70 | 50,828.07 |
| Unperformed performance obligation at the beginning of the year | (50,828.07) | (53,272.50) |
| Revenue from continuing operations | 218,925.02 | 208,450.51 |

* Net of Taxes

33K Corporate social responsibility expenditure:-

| Particulars | Year ended March 31, 2024 | | | Year ended March 31, 2023 | | |
|---|---------------------------|----------------|-------|---------------------------|----------------|-------|
| | ₹ in Lakhs | | | ₹ in Lakhs | | |
| a) Gross amount required to be spent by the Group | | | 50.94 | | | 20.96 |
| b) Amount spent during the year on: | 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 | 51.00 | - | 51.00 | 21.00 | - | 21.00 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on March 31, 2024

- 33L** The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year or previous financial year.
- 33M** The Group does not have any benami property, where any proceeding has been initiated or pending against the Group for holding any benami property.
- 33N** The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act read with Companies (Restriction on number of Layers) Rules, 2017.
- 33O** The Group does not have any investment property during any reporting period, the disclosure related to fair value of investment property is not applicable.
- 33P** The Group is not covered under Section 8 of the Companies Act, thus related disclosure is not applicable.
- 33Q** The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come in to effect has not been notified. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period when the Code becomes effective.
- 33R** The Group does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

33S Impairment testing of goodwill and intangible assets with indefinite useful life:

The Group has identified its business of Health, Hygiene products and its services as a single Cash Generating Unit (CGU).

The recoverable amount of the CGU has been calculated based on its value in use, estimated as the present value of projected future cash flows.

The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources. 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.

The key assumptions used in the estimation of the recoverable amount are set out below:

| Particulars | March 31, 2024 |
|----------------------------|----------------|
| Discount rate | 11.57% |
| Terminal value growth rate | 5.50% |

The discount rate was derived basis the weighted-average cost of capital of debt and equity.

The cash flow projections included specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate was determined based on management's estimate of the long-term EBITDA growth rate, consistent with the assumptions that a market participant would make. Budgeted EBITDA was estimated taking into account past experience, adjusted for future expectations.

The Group has performed a sensitivity analysis and has concluded that there are no reasonably possible changes to key assumptions that would cause the carrying amount of a CGU to exceed its recoverable amount.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on March 31, 2024

- 33T** (a) Exceptional items for the year ended March 31, 2024 amounting to ₹ 1,514.90 lakhs pertains to the following:
An amount of ₹ 1,514.90 lakhs (including GST) for the quarter and year ended March 31, 2024 which is charged to Statement of Profit & Loss, on account of a fire at its Delhi warehouse location, resulting in damage to inventory, including raw materials, components, and finished goods. An insurance claim has been filed to cover the losses sustained from this incident.
- (b) Exceptional items for the year ended March 31, 2023 amounting to ₹ 4,001.80 lakhs pertains to the following:
An amount of ₹ 2,501.80 lakhs for the year ended March 31, 2023, which is charged to Statement of Profit & Loss, on account of phasing out of certain non-moving models and product including its raw material and components, due to change in economic conditions and technological obsolescence. An amount of ₹ 1,500.00 lakhs which represents stamp duty paid / payable for transfer of title of immovable property in the name of the Group pursuant to the Scheme of Arrangement for merger of Aquaignis Technologies Private Limited and Euro Forbes Financial Services Limited into erstwhile Eureka Forbes Limited, followed by the merger of erstwhile Eureka Forbes Limited into Forbes & Group Limited and demerger of demerged undertaking (as defined in the scheme) of Forbes & Group Limited into the Group.
- 33U** Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option or appreciation right, volatility and dividend yield and making assumptions about them. For the measurement of the fair value of equity-settled transactions with employees at the grant date, the Group uses a Black Scholes model and Monte-Carlo simulation model basis the type of option granted. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed.
- 33V** Figures for the previous year are re-arranged/regrouped, wherever necessary, to correspond with the current year disclosure.
- 33W** The Financial Statements for the year ended March 31, 2024 were approved for issue by Group's Board of Directors on May 28, 2024.

34 Additional information to the financial statements for the year ended 31 March 2024

(I) Related Party Disclosures as at and for the year ended 31 March 2024

| Particulars | Country |
|---|---------|
| A Holding Company | |
| 1 Lunolux Limited (Ultimately controlled and 100% owned by funds managed by Advent International Corporation ("AIC")) | Cyprus |
| B Subsidiaries | |
| 1 Forbes Aquatech Limited | India |
| 2 Infinite Water Solutions Limited | India |
| 3 Forbes Lux FZE-Dubai | Dubai |
| 4 Euro Forbes Limited-Dubai | Dubai |
| C Name of Post employment benefit plans with whom transactions were carried out during the year: | |
| 1 Eureka Forbes Limited Employees Provident Fund | India |
| 2 Eureka Forbes Limited Managing Staff Superannuation Scheme | India |
| 3 Eureka Forbes Limited Employees Gratuity Fund | India |
| D Key Managerial Personnel | |
| 1 Mr. Arvind Uppal-Non executive director | |
| 2 Mr. Pratik R Pota- Managing director & CEO | |
| 3 Mr. Homi Katgara -Non executive Independent director | |
| 4 Mr. Vinod Rao-Non executive Independent director | |
| 5 Mrs. Gurveen Singh-Non executive Independent director | |
| 6 Mr. Shashank Samant-Non executive Independent director | |
| 7 Mr. Sahil Dalal-Non executive director | |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on March 31, 2024

(II) Transactions with Related Parties for the year ended 31 March 2024

| Nature of Transaction | ₹ in Lakhs | | |
|---|--|--|---|
| | Eureka Forbes Limited Employees Provident Fund | Eureka Forbes Limited Managing Staff Superannuation Scheme | Eureka Forbes Limited Employees Gratuity Fund |
| Expenses | | | |
| Contributions (Employer's) to Post Retirement Funds | 1,564.08 | 187.43 | 714.11 |
| Outstanding | | | |
| Other payables to the Trust | 98.41 | 13.02 | 347.59 |

(III) Transaction with Related Parties for the year ended 31 March 2024

Parties in D : Key Managerial Personnel Remuneration

Managing Director & CEO

| Particulars | ₹ in Lakhs |
|------------------------------|---------------|
| | Pratik R Pota |
| Short-term employee benefits | 647.38 |
| Post-employment benefits * | 22.92 |
| Share -based payments # | - |
| Total | 670.30 |

* The above amounts do not include expenses for gratuity and leave encashment since actuarial valuation is carried out at an overall level.

The company has recognised a provision of ₹ 2,142.36 Lakhs (previous year Nil) towards employee stock options granted to key managerial personnel. The said amount represent fair value of option granted. The same has not been considered as managerial remuneration for the current year as defined under section 2(7B) of the Companies Act, 2013 as the options have not been vested.

Aggregate remuneration paid/payable to managing director & CEO does not exceed the limit prescribed under section 197 of the Companies Act, 2013.

Directors Sitting Fees and Commission

| Name | ₹ in Lakhs | |
|---------------------|---------------|---|
| | Amount | Outstanding Amount as at March 31, 2024 |
| Mr. Homi Katgara | 29.55 | 27.40 |
| Mr. Arvind Uppal | 29.55 | 27.40 |
| Mr. Vinod Rao | 29.90 | 27.40 |
| Mrs. Gurveen Singh | 29.50 | 27.40 |
| Mr. Shashank Samant | 29.55 | 27.40 |
| Total | 148.05 | 137.00 |

Aggregate remuneration paid/payable to non-whole time directors does not exceeds the limit prescribed under section 197 of companies act, 2013.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on March 31, 2024

(i) Related Party Disclosures as at and for the year ended 31 March 2023

| Particulars | Country |
|--|---------|
| A Holding Company | |
| 1 Lunolux Limited (Ultimately controlled and 100% owned by funds managed by Advent International Corporation ("AIC")) (w.e.f April 25, 2022) | Cyprus |
| B Entities with joint control or significant influence over the entity | |
| 1 Shapoorji Pallonji and Company Private Ltd (upto April 25, 2022) | India |
| 2 Lunolux Limited (upto April 25, 2022) | Cyprus |
| C Subsidiaries | |
| 1 Forbes Aquatech Limited | India |
| 2 Infinite Water Solutions Limited | India |
| 3 Forbes Lux FZE–Dubai | Dubai |
| 4 Euro Forbes Limited–Dubai | Dubai |
| D Name of Post employment benefit plans with whom transactions were carried out during the year: | |
| 1 Eureka Forbes Limited Employees Provident Fund | India |
| 2 Eureka Forbes Limited Managing Staff Superannuation Scheme | India |
| 3 Eureka Forbes Limited Employees Gratuity Fund | India |
| E Key Managerial Personnel | |
| 1 Mr. Arvind Uppal–Non executive director (w.e.f. April 26, 2022) | |
| 2 Mr. Pratik R Pota- Managing director & CEO (w.e.f August 16, 2022) | |
| 3 Mr. Marzin R. Shroff–Managing director & CEO (upto August 15, 2022) | |
| 4 Mr. Homi Katgara –Non executive Independent director | |
| 5 Mr. Anil Kamath–Non executive Independent director (upto April 26, 2022) | |
| 6 Mr.D. Sivanandhan–Non executive Independent director (upto April 26, 2022) | |
| 7 Dr. Mrs. Indu Shahani–Non executive Independent director (upto April 26, 2022) | |
| 8 Mr. Jai Mavani–Non executive director (upto April 26, 2022) | |
| 9 Mr. Pallon Shapoor Mistry–Non executive director (upto April 26, 2022) | |
| 10 Mr. Vinod Rao–Non executive Independent director (w.e.f. April 26, 2022) | |
| 11 Ms. Gurveen Singh–Non executive Independent director (w.e.f. April 26, 2022) | |
| 12 Mr. Shashank Samant–Non executive Independent director (w.e.f. October 10, 2022) | |
| 13 Mr. Sahil Dalal–Non executive director (w.e.f. April 26, 2022) | |
| 14 Mr. Shapoorji Mistry–Non executive director (upto April 26, 2022) | |
| 15 Mr. Shankar Subramanian–Non executive director (upto April 26, 2022) | |
| F Enterprises under Common Control–(where there are transactions) | |
| 1 Afcons Infrastructure Ltd. (upto April 25, 2022) | India |
| 2 Jaykali Developers Pvt. Ltd (upto April 25, 2022) | India |
| 3 SD Corporation Private Limited (upto April 25, 2022) | India |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on March 31, 2024

(II) Transactions with Related Parties for the year ended 31 March 2023

| Nature of Transaction | ₹ in Lakhs | | | | | | |
|---|--|----------------------------|-----------------------------|--------------------------------|--|--|---|
| | Shapoorji Pallonji and Company Private Ltd | Afcons Infrastructure Ltd. | Jaykali Developers Pvt. Ltd | SD Corporation Private Limited | Eureka Forbes Limited Employees Provident Fund | Eureka Forbes Limited Managing Staff Superannuation Scheme | Eureka Forbes Limited Employees Gratuity Fund |
| Sales / (Sales Return) | | | | | | | |
| Goods and Materials | 0.05 | 0.17 | - | - | - | - | - |
| Services Rendered | - | 0.08 | 0.02 | 0.34 | - | - | - |
| | 0.05 | 0.25 | 0.02 | 0.34 | - | - | - |
| Expenses | | | | | | | |
| Contributions (Employer's) to Post Retirement Funds | - | - | - | - | 1,387.34 | 205.41 | 463.77 |
| Outstanding | | | | | | | |
| Other payables to the Trust | - | - | - | - | 84.79 | 36.10 | 530.68 |

(III) Transactions with Related Parties for the year ended 31 March 2023

Parties in E : Key Managerial Personnel Remuneration

Managing Director & CEO

| Particulars | ₹ in Lakhs | |
|------------------------------|-----------------|---------------|
| | Marzin R Shroff | Pratik R Pota |
| Short-term employee benefits | 120.81 | 699.79 |
| Post-employment benefits * | 3.95 | 14.35 |
| Long-term employee benefits | 4.94 | - |
| Total | 129.70 | 714.14 |

*The above amounts do not include expenses for gratuity and leave encashment since actuarial valuation is carried out at an overall level.

Company has paid/provided for managerial remuneration which exceeds the limits / approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013 aggregating ₹ 600.00 Lakhs as at March 31, 2023. The excess remuneration is subject to the approval of shareholders. Pending such approval, the remuneration already paid in excess of the limit is being held in the trust.

Directors Sitting Fees and Commission

| Name | ₹ in Lakhs | |
|--------------------|------------|---|
| | Amount | Outstanding Amount as at March 31, 2023 |
| Mr. Anil Kamath | 1.00 | - |
| Mr. D. Sivanandhan | 1.00 | - |
| Dr. Indu Shahani | 1.50 | - |
| Mr. Homi Katgara | 28.90 | 24.75 |
| Mr. Jai Mavani | 0.20 | - |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on March 31, 2024

| Name | Amount | ₹ in Lakhs |
|---------------------------|---------------|---|
| | | Outstanding Amount as at March 31, 2023 |
| Mr. Shankar Krishnan | 0.20 | - |
| Mr. Pallon Shapoor Mistry | 0.20 | - |
| Mr. Arvind Uppal | 28.10 | 24.75 |
| Mr. Vinod Rao | 28.70 | 24.75 |
| Mrs. Gurveen Singh | 28.70 | 24.75 |
| Mr. Shashank Samant | 23.30 | 22.50 |
| Total | 141.80 | 121.50 |

Aggregate remuneration payable to non-whole time directors exceeds the limit prescribed under section 197 by Rs 72.73 lakhs and is subject to shareholders approval. The company has charged off the excess remuneration payable in the Statement of Profit and loss account for the year ended March 31, 2023.

NOTE 35 : LEASES

The break-up of current and non-current lease liabilities as at March 31, 2024 is:

| Particulars | As at March 31, 2024 | ₹ in Lakhs |
|-------------------------------|----------------------|----------------------|
| | | As at March 31, 2023 |
| Current lease liabilities | 972.81 | 1,035.13 |
| Non-current lease liabilities | 409.66 | 857.15 |
| Total | 1,382.47 | 1,892.28 |

The following is the movement in lease liabilities during the year ended March 31, 2024:

| Particulars | Year ended March 31, 2024 | ₹ in Lakhs |
|---|---------------------------|---------------------------|
| | | Year ended March 31, 2023 |
| Balance at the beginning of the year | 1,892.28 | 1,344.13 |
| Additions | 549.50 | 2,013.94 |
| Finance cost accrued during the year | 190.99 | 183.60 |
| Adjustments | 265.89 | - |
| Deletions | (87.74) | (337.89) |
| (Gain)/Loss on Modification/Disposal of Right of use assets | (9.58) | (28.57) |
| Payment of lease liabilities | (1,418.87) | (1,282.93) |
| Balance at the end of the year | 1,382.47 | 1,892.28 |

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2024 on an undiscounted basis:

| Particulars | As at March 31, 2024 | ₹ in Lakhs |
|----------------------|----------------------|----------------------|
| | | As at March 31, 2023 |
| Less than one year | 1,016.26 | 1,164.52 |
| One to five years | 632.35 | 902.30 |
| More than five years | 10.46 | 31.28 |
| Total | 1,659.07 | 2,098.10 |

Rental expense recorded for short-term leases was ₹ 517.42 Lakhs for the year ended March 31, 2024. (Previous Year: ₹ 727.05 Lakhs).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on March 31, 2024

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 Group 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 Group 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 the Group'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 Group has concluded that no changes are required to lease period relating to the existing lease contracts.

Amounts recognised in statement of profit and loss

| Particulars | ₹ in Lakhs | |
|---|------------------------------|------------------------------|
| | Year ended March 31, 2024 | Year ended March 31, 2023 |
| Depreciation expense on right-of-use assets | 1,253.85 | 1,145.37 |
| Interest expense on lease liabilities | 190.99 | 183.60 |
| Expense relating to short-term leases | 517.42 | 727.05 |

NOTE 36 : EMPLOYEE BENEFIT PLANS

(a) Provident Fund

The details of Eureka Forbes Limited Employees' Provident Fund and planned assets position as at March 31, 2024 is given below:

| Particulars | Valuation as at | |
|---|-----------------|----------------|
| | March 31, 2024 | March 31, 2023 |
| | ₹ in Lakhs | ₹ in Lakhs |
| Present value of benefit obligation at year end | 15,950.48 | 15,391.19 |
| Planned Assets at the year end | 18,877.41 | 17,885.23 |
| Discounting Rate | 7.22% | 7.50% |
| Expected Guaranteed interest rate | 8.25% | 8.15% |
| Average Expected Future Service | 16 years | 14 years |

(b) Gratuity Fund

The principal assumptions used for the purposes of the actuarial valuations were as follows.

| Particulars | Valuation as at | | Valuation as at | |
|-------------------------------------|--|--|--|--|
| | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| | Funded | | Unfunded | |
| Discount rate(s) | 7.22% | 7.50% | 7.21% | 7.34% - 7.49% |
| Expected rate(s) of salary increase | 5.00% | 4.50% | 5.00% - 5.50% | 4.50% - 5.50% |
| Mortality rates | Indian Assured Lives Mortality 2012-14 (Urban) | Indian Assured Lives Mortality 2012-14 (Urban) | Indian Assured Lives Mortality 2012-14 (Urban) | Indian Assured Lives Mortality 2012-14 (Urban) |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on March 31, 2024

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, 2024 | Year ended March 31, 2023 | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|------------------------------|------------------------------|------------------------------|------------------------------|
| | ₹ in Lakhs | ₹ in Lakhs | ₹ in Lakhs | ₹ in Lakhs |
| | Funded | | Unfunded | |
| Service cost: | | | | |
| Current service cost | 176.18 | 142.50 | 1.21 | 1.33 |
| Net interest expense | 39.80 | 14.81 | 1.13 | 1.05 |
| Components of defined benefit costs recognised in profit or loss | 215.98 | 157.31 | 2.34 | 2.38 |
| Remeasurement on the net defined benefit liability: | | | | |
| Return on plan assets (excluding amounts included in net interest expense) | (33.58) | 40.55 | - | - |
| Actuarial (gains) / losses arising from changes in financial assumptions | 107.56 | 35.64 | 1.19 | (0.31) |
| Actuarial (gains) / losses arising from experience adjustments | 241.06 | 555.60 | 0.25 | 2.90 |
| Components of defined benefit costs recognised in other comprehensive income | 315.04 | 631.79 | 1.44 | 2.59 |
| Total | 531.02 | 789.10 | 3.78 | 4.97 |

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 | Year ended March 31, 2024 | Year ended March 31, 2023 | Year ended March 31, 2024 | Year ended March 31, 2023 |
|--|------------------------------|------------------------------|------------------------------|------------------------------|
| | ₹ in Lakhs | ₹ in Lakhs | ₹ in Lakhs | ₹ in Lakhs |
| | Funded | | Unfunded | |
| Present value of funded defined benefit obligation | (1,993.97) | (2,144.19) | (18.95) | (15.18) |
| Fair value of plan assets | 1,657.14 | 1,624.27 | - | - |
| Total | (336.83) | (519.92) | (18.95) | (15.18) |
| Restrictions on asset recognised | - | - | - | - |
| Others | - | - | - | - |
| Net liability arising from defined benefit obligation | (336.83) | (519.92) | (18.95) | (15.18) |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on March 31, 2024

Movement in the fair value of the plan assets are as follows:

| Particulars | March 31, 2024 | March 31, 2023 |
|--|-----------------|-----------------|
| | ₹ in Lakhs | ₹ in Lakhs |
| | Funded | |
| Opening fair value of plan assets | 1,624.27 | 1,864.45 |
| Interest income | 120.25 | 133.28 |
| Remeasurement gain/(loss): | | |
| Return on plan assets (excluding amounts included in net interest expense) | 33.58 | (40.55) |
| Contributions from the employer | 714.11 | 463.77 |
| Assets Transferred In/Acquisition | - | - |
| Benefits paid | (835.07) | (796.68) |
| Other | - | - |
| Closing fair value of plan assets | 1,657.14 | 1,624.27 |

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 | |
|-----------------------------|--------------------------------|-----------------|
| | March 31, 2024 | March 31, 2023 |
| | ₹ in Lakhs | ₹ in Lakhs |
| | Funded | |
| Government Of Indian Assets | 296.82 | 561.32 |
| State Government Securities | 317.64 | 131.74 |
| Special Deposit Scheme | 41.03 | 41.03 |
| Debt Instrument | 712.35 | 516.58 |
| Corporate Bond | 104.05 | 297.50 |
| Cash and cash equivalents | 87.13 | - |
| Others | 20.97 | 20.96 |
| Mutual Funds | 77.15 | 55.14 |
| Total | 1,657.14 | 1,624.27 |

Maturity Analysis of the Benefits Payments from the Fund

| Particulars | March 31, 2024 | March 31, 2023 |
|---|----------------|----------------|
| | ₹ in Lakhs | ₹ in Lakhs |
| | Funded | |
| Projected Benefits payable in future years from the date of reporting | | |
| 1st Following Year | 187.39 | 184.63 |
| 2nd Following Year | 141.56 | 151.11 |
| 3rd Following Year | 183.65 | 177.76 |
| 4th Following Year | 256.11 | 236.15 |
| 5th Following Year | 195.44 | 314.41 |
| Sum of years 6 to 10 | 763.88 | 930.01 |
| Sum of years 11 and above | 2,121.07 | 2,144.35 |

Sensitivity Analysis

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|------------------------------|------------------------------|------------------------------|------------------------------|
| | ₹ in Lakhs | ₹ in Lakhs | ₹ in Lakhs | ₹ in Lakhs |
| | Funded | | Unfunded | |
| Presented benefit obligation on current assumptions | 1,993.97 | 2,144.19 | 11.72 | 8.94 |
| Discount rate (1% increase) | (133.63) | (138.49) | (1.06) | (1.01) |
| Discount rate (1% decrease) | 152.92 | 157.52 | 1.26 | 1.22 |
| Future salary growth (1% increase) | 154.80 | 160.71 | 1.29 | 1.24 |
| Future salary growth (1% decrease) | (137.49) | (143.50) | (1.09) | (1.04) |
| Attrition movement (1% increase) | 22.23 | 33.84 | 0.40 | 0.37 |
| Attrition movement (1% decrease) | (25.24) | (37.95) | (0.46) | (0.43) |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on March 31, 2024

Sensitivity Analysis

| Particulars | March 31, 2024 | March 31, 2023 |
|---|-----------------|----------------|
| | ₹ in Lakhs | ₹ in Lakhs |
| | Unfunded | |
| Presented benefit obligation on current assumptions | 7.23 | 6.24 |
| Discount rate (0.50% increase) | (0.26) | (0.25) |
| Discount rate (0.50% decrease) | 0.28 | 0.27 |
| Future salary growth (0.50% increase) | 0.28 | 0.27 |
| Future salary growth (0.50% decrease) | (0.26) | (0.25) |

The sensitivity analysis 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.

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the defined 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 year.

In respect of foreign subsidiaries of the group, retirement benefits are governed and accrued as per local statutes and there are no defined benefit plans. The amount contributed to the defined contribution plan is charged to the Consolidated Statement of Profit & Loss on accrual basis. Hence the above table includes the details of Company's incorporated in India only.

NOTE 37 : EMPLOYEE SHARE OPTION SCHEME

A Employees Stock Option Plan (ESOP 2022)

The Company instituted an Employee Stock Option Scheme 2022 ("ESOP") for certain employees which provides for a grant of 1,75,21,597 options (each option convertible into shares) to employees. During the year, company has made grant of total 1,56,79,262 options.

The first grant was made on May 29, 2023 for 1,35,95,130 shares, second grant was made on June 21, 2023 for 13,54,685 options, third grant was made on November 09, 2023 for 4,54,994 options and fourth grant was made on March 21, 2024 for 2,74,453 options.

Scheme Details

The Company has granted two categories of ESOP. The detail of options granted under the plan are as under:

Terms of Category 1 (Service based) options

9,79,972 tenure based options to vest as under:

| Vesting period | Type 1 | Type 2 |
|------------------------------------|---|--|
| | On completion of 1 year period | 55% on completion of 1 year period and 45% on completion on 2nd Year |
| Grant date | May 29, 2023 | May 29, 2023 |
| Exercise price | 210 | 400.93 |
| No. of Options | 9,67,396 | 12,576 |
| Exercise period | Maximum period of 4 years from the date of Vesting. | |
| Method of settlement (cash/equity) | Equity shares | |

The fair value of the share options is estimated at the grant date using Black Scholes Option Pricing ("BSOP") method, taking into account the terms and conditions upon which the share options were granted.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on March 31, 2024

Terms of Category 2 (Performance based) options

14,699,290 tenure and performance based options to vest only upon the following conditions being met

- 1 If 6 months Volume weighted average price of the share (VWAP) > 2.5x/ 3x/ 4.5x USD Multiple of Money (MoM) then employee will get variable number of ESOP depending on various range of MoM. (Range- minimum 2.5X MoM till more than 5X MoM).
- 2 If investor sales the stake and Internal Rate of Return (IRR)/ MoM /VWAP achieved, employee will get variable number of ESOP which will vest in proportion to stake sale and range of MoM/ IRR.

| Grant date | May 29, 2023 | May 29, 2023 | June 21, 2023 | June 21, 2023 | November 09, 2023 | March 21, 2024 |
|------------------------------------|---|--|---------------------------------------|---------------------------------------|--------------------------------------|--------------------------------------|
| Exercise price | 210 | 400.93 | 210 | 586.09 | 505.06 | 446.8 |
| No. of Options | Minimum - 4281697; Maximum - 9927421 | Minimum - 379726; Maximum - 2687737 | Minimum - 779000; Maximum - 804719 | Minimum - 469813; Maximum - 549966 | Minimum - 384413 Maximum - 454994 | Minimum - 244254 Maximum - 274453 |
| Vesting Period | Maximum period of vesting is 7 years from the date of Grant | | | | | |
| Exercise period | Maximum period of 4 years from the date of Vesting. | | | | | |
| Method of settlement (cash/equity) | Equity shares | | | | | |

The fair value of the share options is estimated at the grant date using Monte Carlo Simulation Pricing ("MCS") method so as to evaluate whether the performance conditions have been achieved.

The details of the activity has been summarised below:

| Description | March 31, 2024 |
|--|----------------|
| Outstanding at the beginning of the year | – |
| Exercisable at the beginning of the year | – |
| Granted during the year * | 1,56,79,262 |
| Forfeited during the year | (3,82,781) |
| Exercised during the year | – |
| Vested during the year | – |
| Expired during the period | – |
| Transferred during the period | – |
| Outstanding at the end of the year | 1,52,96,481 |
| Exercisable at the end of the year | – |
| Weighted average remaining contractual life (in years) | 3.36 years |

*Considering variable number of options, the maximum number of options are considered for the purpose of disclosure.

Valuation of ESOP Scheme

The Black Scholes valuation model has been used for computing the weighted average fair value for Category 1 stock options considering the following inputs:

| Particulars | March 31, 2024 |
|--|----------------|
| Grant date | May 29, 2023 |
| Weighted average share price/ market price per share (₹ per share) | 401.10 |
| Exercise price (₹ per share) | 210-400.9 |
| Dividend yield | 1.80% |
| Expected Life of options granted (vesting and exercise price in years) | 1- 2 years |
| Average risk free interest rate | 6.7%–6.8% |
| Expected Volatility | 25.2%–27.6% |
| Fair value of option per equity share | 49.1–197.90 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on March 31, 2024

The Monte Carlo Simulation Pricing ("MCS") method has been used for computing the fair value for Category 2 stock options considering the following inputs:

| Particulars | March 31, 2024 | | | |
|--|----------------|---------------|-------------------|----------------|
| Grant date | May 29, 2023 | June 21, 2023 | November 09, 2023 | March 21, 2024 |
| Weighted average share price/ market price per share (₹ per share) | 401.10 | 587.40 | 500.30 | 449.50 |
| Exercise price (₹ per share) | 210-400.9 | 210-586 | 505.10 | 446.80 |
| Dividend yield | 1.80% | 1.80% | 2.00% | 2.00% |
| Expected Life of options granted (in years) | 4.9 - 7 | 4.85 | 4.46 | 4.10 |
| Average risk free interest rate | 6.70% | 6.70% | 6.9% - 7.3% | 6.8% - 7.1% |
| Expected Volatility | 25.00% | 25.00% | 25.00% | 25.00% |
| Fair value of option per equity share | 43.07-661.47 | 656.37-919.63 | 714.13 | 769.17 |

B Effect of employee stock option plan on the Statement of Profit and Loss and on its financial position:

| Particulars | March 31, 2024 (₹ in lakhs) |
|--|--------------------------------|
| Total employee compensation cost pertaining to stock option plan | 3,448.76 |
| Employee Stock option plan (ESOP) reserve | 3,448.76 |

NOTE 38 : FINANCIAL INSTRUMENTS

Capital management

The Group'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 Group may return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with the industry, the Group, primarily, uses the gearing ratio to monitor and maintain the capital structure which is as follows:

Net debt (total borrowings net of cash and cash equivalents) divided by 'total equity' (as shown in the balance sheet).

The gearing ratios were as follows:

| | As at March 31, 2024 ₹ in Lakhs | As at March 31, 2023 ₹ in Lakhs |
|---------------------------------|---------------------------------------|---------------------------------------|
| Borrowings | 2,491.97 | 12,102.34 |
| Less: Cash and cash equivalents | 6,132.17 | 1,854.54 |
| Net debt | (3,640.20) | 10,247.80 |
| Total equity | 422,684.34 | 409,883.30 |
| Net debt to equity ratio | (0.86%) | 2.50% |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on March 31, 2024

NOTE 39 : FINANCIAL INSTRUMENTS – FAIR VALUES

Accounting classification and fair values

| | As at March 31, 2024 | | | As at March 31, 2023 | | |
|---|----------------------|-------------|------------------|----------------------|-------------|------------------|
| | 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 | - | - | 9,754.67 | - | - | 2,108.93 |
| Short-term loans and advances | - | - | 48.07 | - | - | 6.52 |
| Trade and other receivables | - | - | 13,751.84 | - | - | 12,366.95 |
| Current Investments | 5,494.84 | - | - | 7,579.95 | - | - |
| Non Current Investments | - | 1.42 | - | - | 1.43 | - |
| Other Current financial Asset | - | - | 90.70 | - | - | 93.82 |
| Other Non Current financial Asset | - | - | 1,268.45 | - | - | 1,171.62 |
| Total Financial Asset | 5,494.84 | 1.42 | 24,913.73 | 7,579.95 | 1.43 | 15,747.84 |
| Financial liabilities | | | | | | |
| Trade and other payables | - | - | 19,364.26 | - | - | 20,865.57 |
| Other Current financial liabilities | - | - | 19,389.13 | - | - | 16,151.43 |
| Other Non Current financial liabilities | - | - | 409.66 | - | - | 857.15 |
| Current Borrowings | - | - | 2,491.97 | - | - | 9,631.40 |
| Non Current Borrowings | - | - | - | - | - | 2,470.94 |
| Total Financial Liabilities | - | - | 41,655.02 | - | - | 49,976.49 |

*Mandatorily measured at fair value in accordance with Ind AS 109

** Investments in equity instruments designated as such upon initial recognition in accordance with paragraph 5.7.5 of Ind AS 109.

These investments in equity instruments are not held for trading. Instead, they are held for medium or long term strategic purpose. Upon the application of IND AS 109, the Group has chosen to designate these investments in equity instruments at FVTOCI as it is believed that this provides a more meaningful presentation for medium or long term strategic investment than reflecting changes in fair value immediately in profit and loss Account.

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.

| | ₹ in Lakhs | | | |
|---|-----------------|----------|-------------|-----------------|
| Financial assets and liabilities measured at fair value–recurring fair value measurements at 31 March 2024 (Refer note Below) | Level 1 | Level 2 | Level 3 | Total |
| Financial assets | | | | |
| Financial investment at FVTPL | | | | |
| Listed Equity Investment | - | - | - | - |
| Unquoted Investments in Mutual funds | 5,494.84 | - | - | 5,494.84 |
| Financial investment at FVTOCI | | | | |
| Quoted Investments | - | - | - | - |
| Unquoted Investments | - | - | 1.42 | 1.42 |
| Total Financial Asset | 5,494.84 | - | 1.42 | 5,496.26 |
| Financial Liabilities | | | | |
| Derivatives accounted at FVTPL | | | | |
| Total Financial Liabilities | - | - | - | - |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on March 31, 2024

| | ₹ in Lakhs | | | |
|---|-----------------|----------|-------------|-----------------|
| | Level 1 | Level 2 | Level 3 | Total |
| Financial assets and liabilities measured at fair value—recurring fair value measurements At March 2023 (Refer note Below) | | | | |
| Financial assets | | | | |
| Financial investment at FVTPL | | | | |
| Listed Equity Investment | - | - | - | - |
| Unquoted Investments in Mutual funds | 7,579.95 | - | - | 7,579.95 |
| Financial investment at FVTOCI | | | | |
| Quoted Investments | - | - | - | - |
| Unquoted Investments | - | - | 1.43 | 1.43 |
| Total Financial Asset | 7,579.95 | - | 1.43 | 7,581.38 |
| Financial Liabilities | | | | |
| Derivatives accounted at FVTPL | - | - | - | - |
| Total Financial Liabilities | - | - | - | - |

Reconciliation of level 3 fair value measurement of financial Instruments

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|--|------------------------------|------------------------------|
| | ₹ in Lakhs | ₹ in Lakhs |
| Opening Value of Fair Value | 1.43 | 1.43 |
| Fair value gain/(loss) recognised in statement of Profit or Loss | - | - |
| Fair value gain/(loss) recognised in Other Comprehensive Income | - | - |
| Purchases made during the year | - | - |
| Sales made during the year | - | - |
| Closing balance of fair value | 1.43 | 1.43 |

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 CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on March 31, 2024

NOTE 40 : FINANCIAL INSTRUMENTS – FINANCIAL RISK MANAGEMENT

The Group'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 Group, 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 or 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 (₹) | Cash flow Forecasting Sensitivity analysis | Forward foreign currency Contracts Foreign currency option |
| Market Risk- Interest rate | Long-term borrowings at variable rate | Sensitivity analysis | Interest rate Swaps |
| Market Risk- Security prices | Investment in equity securities | Sensitivity analysis | Portfolio diversification |

The Group's risk management is carried out by the Treasury team under policies approved by the Finance committee. Treasury team identifies, evaluates and mitigates the financial risks.

NOTE 41 : 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 March 31, 2024 ₹ in Lakhs | As at March 31, 2023 ₹ in Lakhs |
|---------------------------|---------------------------------------|---------------------------------------|
| Investments | 5,494.84 | 7,579.95 |
| Trade receivables | 13,751.84 | 12,366.95 |
| Cash and cash equivalents | 6,132.17 | 1,854.54 |
| Other bank balances | 3,622.50 | 254.39 |
| Loans | 48.07 | 6.52 |
| Other financial assets | 1,359.15 | 1,265.44 |

Trade Receivables

The maximum exposure to credit risk for trade and other receivables by geographic region was as follows.

| Particulars | As at March 31, 2024 ₹ in Lakhs | As at March 31, 2023 ₹ in Lakhs |
|---------------|---------------------------------------|---------------------------------------|
| India | 13,718.26 | 12,273.17 |
| Other regions | 33.58 | 93.78 |
| Total | 13,751.84 | 12,366.95 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on March 31, 2024

Impairment

The ageing of trade and other receivables that were not impaired was as follows.

| Ageing | As at March 31, 2024 ₹ in Lakhs | As at March 31, 2023 ₹ in Lakhs |
|-----------------|---------------------------------------|---------------------------------------|
| 0-1 Year | 13,546.94 | 12,302.40 |
| 1-2 Year | 130.36 | 64.55 |
| 2-3 Year | 74.11 | - |
| More Than 3 Yrs | 0.43 | - |
| Total | 13,751.84 | 12,366.95 |

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows.

| Particulars | As at March 31, 2024 ₹ in Lakhs | As at March 31, 2023 ₹ in Lakhs |
|--|---------------------------------------|---------------------------------------|
| Opening Balance | 3,943.90 | 3,318.42 |
| Amounts written off during the year as uncollectible | 161.99 | - |
| Impairment loss recognised/(released) | (2,865.42) | 625.48 |
| Balance | 1,240.47 | 3,943.90 |

The Group held cash and cash equivalents of ₹ 6,132.17 lakhs at March 31, 2024 (March 31, 2023: ₹ 1,854.54 lakhs). The cash and cash equivalents are held with bank ₹ 5,546.81 lakhs at March 31, 2024 (March 31, 2023: ₹ 1,450.49 lakhs).

(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 | | | | | ₹ in Lakhs |
|---|---|-----------|-----------|-----------|-----------|------------|
| | Carrying amount | On Demand | 0- 1 year | 1-5 years | > 5 years | Total |
| As at March 31, 2024 | | | | | | |
| Banks - Long term loans | 2,491.97 | - | 2,491.97 | - | - | 2,491.97 |
| Trade payables | 19,364.26 | - | 19,364.26 | - | - | 19,364.26 |
| Lease Liabilities | 1,382.47 | - | 1,016.26 | 632.35 | 10.46 | 1,659.07 |
| Other Payable | 18,416.32 | - | 18,416.32 | - | - | 18,416.32 |
| As at March 31, 2023 | | | | | | |
| Banks - Long term loans | 4,988.56 | - | 2,517.62 | 2,470.94 | - | 4,988.56 |
| Loans from banks | 7,113.78 | 7,113.78 | - | - | - | 7,113.78 |
| Trade payables | 20,865.57 | - | 20,865.57 | - | - | 20,865.57 |
| Lease Liabilities | 1,892.28 | - | 1,164.52 | 902.30 | 31.28 | 2,098.10 |
| Other Payable | 15,116.30 | - | 15,116.30 | - | - | 15,116.30 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on March 31, 2024

(c) (i) Market Risk- Foreign currency

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at March 31, 2024 and March 31, 2023:

| Particulars | As at March 31, 2024 USD in Lakhs | As at March 31, 2024 EUR in Lakhs | As at March 31, 2024 SGD in Lakhs |
|------------------------------------|---|---|---|
| Financial assets | | | |
| Other Non-current financial assets | 1.30 | - | - |
| Trade and other receivables | 47.42 | 0.06 | - |
| | 48.72 | 0.06 | - |
| Financial liabilities | | | |
| Trade and other payables | 16.41 | 0.18 | 0.09 |
| | 16.41 | 0.18 | 0.09 |
| Net Exposure | 32.31 | (0.12) | (0.09) |

| Particulars | As at March 31, 2023 USD in Lakhs | As at March 31, 2023 EUR in Lakhs | As at March 31, 2023 SGD in Lakhs |
|-------------------------------|---|---|---|
| Financial assets | | | |
| Short-term loans and advances | 10.00 | - | - |
| Trade and other receivables | 10.81 | - | - |
| | 20.81 | - | - |
| Financial liabilities | | | |
| Trade and other payables | 14.37 | 0.07 | - |
| | 14.37 | 0.07 | - |
| Net Exposure | 6.44 | (0.07) | - |

The following significant exchange rates have been applied.

| | Year-end spot rate | |
|---------|-------------------------|-------------------------|
| | As at March 31, 2024 | As at March 31, 2023 |
| USD / ₹ | 83.34 | 82.16 |
| EUR / ₹ | 89.93 | 89.37 |
| SGD / ₹ | 61.68 | 61.80 |

Sensitivity analysis

The Sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

| Effect in ₹ | Profit or (loss) | |
|----------------------|------------------|---------------|
| | Strengthening | Weakening |
| As at March 31, 2024 | ₹ in Lakhs | ₹ in Lakhs |
| USD 5% movement | (134.62) | 134.62 |
| EUR 5% movement | 0.54 | (0.54) |
| SGD 5% movement | 0.29 | (0.29) |
| | (133.79) | 133.79 |

| Effect in ₹ | Profit or (loss) | |
|----------------------|------------------|----------------|
| | Strengthening | Weakening |
| As at March 31, 2023 | ₹ in Lakhs | ₹ in Lakhs |
| USD 5% movement | (26.47) | (26.47) |
| EUR 5% movement | 0.30 | 0.30 |
| | (26.17) | (26.17) |

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 CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on March 31, 2024

(c) (ii) Market Risk- Interest rate

The Exposure of the Group borrowing to interest rate changes at the end of the reporting period are as follow:

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|-------------------------|-------------------------|-------------------------|
| | ₹ in Lakhs | ₹ in Lakhs |
| Variable Rate Borrowing | 2,491.97 | 4,966.48 |

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 Group's:

profit for the year ended March 31, 2024 would decrease/increase by ₹ 13.87/- lakhs (2023: decrease/increase by ₹ 25.43/- lakhs). This is mainly attributable to the Group'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 year.

NOTE 42 : ASSETS PLEDGED AS SECURITY

The carrying amounts of assets pledged as security for current and non-current borrowings are:

| Particulars | Notes | As at March 31, 2024 | As at March 31, 2023 |
|---|-------|-------------------------|-------------------------|
| | | ₹ in Lakhs | ₹ in Lakhs |
| Current | | | |
| Financial Assets | | | |
| Trade Receivable | 8 | 13,718.38 | 14,648.50 |
| Inventories | 13 | 24,368.54 | 21,913.37 |
| Other Current Assets | 12 | - | 65.74 |
| Total Current assets pledged as security | | 38,086.92 | 36,627.61 |
| Non-current | | | |
| Land-Freehold | 3 | 6,405.00 | 6,405.00 |
| Buildings | 3 | 13,954.02 | 14,299.80 |
| Other Property, plant and equipment * | 3 | 6,707.35 | 6,444.42 |
| Land - Leasehold | 4 | 333.55 | 338.85 |
| Total Non Current assets pledged as security | | 27,399.92 | 27,488.07 |
| Total assets pledged as security | | 65,486.84 | 64,115.68 |

* Property, plant and equipment as per Note 3 includes moveable asset for employee benefits, which has not been pledged.

No charges or satisfaction are pending to be registered with ROC beyond the statutory period.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on March 31, 2024

NOTE 43 : MOVEMENT IN DEFERRED TAX BALANCES

| Particulars | As at April 1, 2023 | | For the year 2023-24 | | As at March 31, 2024 | |
|---|---------------------|------------------------|------------------------------|-------------------|----------------------|------------------------|
| | Deferred tax asset | Deferred tax liability | Recognised in profit or loss | Recognised in OCI | Deferred tax asset | Deferred tax liability |
| | ₹ in Lakhs | ₹ in Lakhs | ₹ in Lakhs | ₹ in Lakhs | ₹ in Lakhs | ₹ in Lakhs |
| Deferred Tax Assets/ Liabilities | | | | | | |
| Property, plant and equipment | (10.63) | 4,637.80 | 120.99 | - | (10.63) | 4,758.79 |
| Provisions | 5.11 | (1,378.10) | 55.48 | - | 7.43 | (1,324.94) |
| Lease Liabilities | 4.35 | 58.27 | (4.10) | - | 8.45 | 58.27 |
| Merger expenses | - | (27.97) | (310.05) | - | - | (294.21) |
| Amortisation of Processing fees | - | 8.44 | (6.42) | - | - | 2.02 |
| Fair Valuation | - | 78,721.02 | (617.19) | - | - | 78,103.83 |
| Expenses allowed on Payment | 1.99 | (122.02) | (48.44) | (0.04) | 1.99 | (170.50) |
| Tax - Loss carry forwards | 23.81 | - | 9.08 | - | 14.73 | - |
| Others (Including MAT Credit) | 102.85 | - | (0.30) | - | 103.15 | - |
| Deferred Tax Assets/ Liabilities | 127.48 | 81,897.44 | (800.95) | (0.04) | 125.12 | 81,133.26 |

| Particulars | As at April 1, 2022 | | For the year 2022-23 | | As at March 31, 2023 | |
|---|---------------------|------------------------|------------------------------|-------------------|----------------------|------------------------|
| | Deferred tax asset | Deferred tax liability | Recognised in profit or loss | Recognised in OCI | Deferred tax asset | Deferred tax liability |
| | ₹ in Lakhs | ₹ in Lakhs | ₹ in Lakhs | ₹ in Lakhs | ₹ in Lakhs | ₹ in Lakhs |
| Deferred Tax Assets/ Liabilities | | | | | | |
| Property, plant and equipment | (17.85) | 4,542.14 | 88.45 | - | (10.63) | 4,637.80 |
| Provisions | 2.64 | (1,058.55) | (321.51) | 0.51 | 5.11 | (1,378.10) |
| Lease Liabilities | 3.53 | 62.58 | (5.13) | - | 4.35 | 58.27 |
| Merger expenses | - | (41.58) | 13.60 | - | - | (27.97) |
| Amortisation of Processing fees | - | 16.22 | (7.78) | - | - | 8.44 |
| Fair Valuation | - | 79,338.23 | (617.22) | - | - | 78,721.02 |
| Expenses allowed on Payment | 1.95 | (118.56) | (3.35) | 0.15 | 1.99 | (122.02) |
| Tax - Loss carry forwards | - | - | (23.81) | - | 23.81 | - |
| Others (Including MAT Credit) | 102.85 | - | - | - | 102.85 | - |
| Deferred Tax Assets/ Liabilities | 93.12 | 82,740.48 | (876.75) | 0.66 | 127.48 | 81,897.44 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on March 31, 2024

NOTE 44 : INCOME TAX EXPENSE

(a) Amounts recognised in profit and loss

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---------------------------------|------------------------------|------------------------------|
| | ₹ in Lakhs | ₹ in Lakhs |
| Current income tax | 4,084.65 | 2,077.62 |
| Earlier year tax | (1.30) | 3.07 |
| Deferred tax expense | (800.95) | (876.75) |
| Tax expense for the year | 3,282.40 | 1,203.94 |

(b) Amounts recognised in other comprehensive income

| Particulars | Year ended March 31, 2024 | | | Year ended March 31, 2023 | | |
|--|---------------------------|--------------------------|-----------------|---------------------------|--------------------------|-----------------|
| | ₹ in Lakhs | | | ₹ in Lakhs | | |
| | Before tax | Tax (expense) benefit | Net of tax | Before tax | Tax (expense) benefit | Net of tax |
| Items that will not be reclassified to profit or loss | | | | | | |
| Remeasurements of the defined benefit plans | (315.04) | 77.76 | (237.28) | (634.38) | 159.67 | (474.71) |
| Total | (315.04) | 77.76 | (237.28) | (634.38) | 159.67 | (474.71) |

(c) Reconciliation of effective tax rate

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|--|------------------------------|------------------------------|
| | ₹ in Lakhs | ₹ in Lakhs |
| Profit before tax | 12,847.37 | 3,851.16 |
| Tax using the Company's domestic tax rate : 25.168% | 3,233.43 | 969.26 |
| Tax effect of amounts which are not deductible (taxable) in calculating taxable income | 12.83 | 53.43 |
| Other tax adjustment (including re-assessment of deferred taxes post business combination) | 2.28 | 254.85 |
| Effect of Income that is exempted from Tax | 30.92 | 157.36 |
| Adjustments for taxes of prior periods | (1.30) | 3.07 |
| Effect of difference in tax rates in companies (net of impact of elimination and adjustments on consolidation) | 4.24 | (234.03) |
| Total | 3,282.40 | 1,203.94 |

The tax rate used for the year 2023-24 and 2022-23 reconciliations above is the corporate tax rate of 25.168% payable by corporate entities in India on taxable profits under the Indian tax law.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on March 31, 2024

NOTE 45 : ADDITIONAL INFORMATION AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT 2013, OF ENTERPRISE CONSOLIDATED AS SUBSIDIARY:

2023-24

| Name of the Company | Particulars | | | | | |
|--|--|-------------------|-------------------------------------|-----------------|---|-----------------|
| | Net Assets, i.e., total assets minus total liabilities | | Share in profit or loss | | Share in other comprehensive income | |
| | As % of consolidated net assets | ₹ in Lakhs | As % of consolidated profit or loss | ₹ in Lakhs | As % of consolidated other comprehensive income | ₹ in Lakhs |
| Parent | | | | | | |
| Eureka Forbes Limited | 99.44% | 420,302.71 | 95.73% | 9,156.85 | 110.90% | (235.88) |
| Subsidiaries | | | | | | |
| Indian | | | | | | |
| Forbes Aquatech Limited | 0.25% | 1,042.19 | 0.09% | 8.58 | 0.05% | (0.10) |
| Infinite Water Solutions Private Limited | 0.83% | 3,514.99 | 5.85% | 559.31 | 0.46% | (0.97) |
| Foreign | | | | | | |
| Euro Forbes Limited, Dubai | 0.00% | 3.32 | 0.00% | 0.38 | 0.00% | - |
| Forbes Lux FZE | -0.18% | (750.30) | -1.29% | (123.24) | 0.00% | - |
| Adjustment/ elimination on consolidation | -0.37% | (1,548.54) | -0.40% | (38.02) | -11.41% | 24.26 |
| Non-controlling Interest in all subsidiaries | 0.03% | 119.97 | 0.01% | 1.11 | 0.01% | (0.01) |
| Total | 100.00% | 422,684.34 | 100.00% | 9,564.97 | 100.00% | (212.70) |
| | | | | | 100.00% | 9,352.27 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on March 31, 2024

2022-23

| Name of the Company | Net Assets, i.e., total assets minus total liabilities | Particulars | | | |
|--|---|-------------------------------------|-----------------|---|-----------------|
| | | Share in profit or loss | | Share in other comprehensive income | |
| | As % of consolidated net assets | As % of consolidated profit or loss | ₹ in Lakhs | As % of consolidated other comprehensive income | ₹ in Lakhs |
| Parent | | | | | |
| Eureka Forbes Limited | | | | | |
| (formerly Forbes Enviro Solutions Limited) | 99.52% | 64.52% | 1,708.02 | 94.87% | (472.78) |
| | | | | | 57.48% |
| | | | | | 1,235.24 |
| Subsidiaries | | | | | |
| Indian | | | | | |
| Forbes Aquatech Limited | 0.25% | -2.48% | (65.61) | 0.08% | (0.38) |
| Infinite Water Solutions Pvt Limited | 0.72% | 26.50% | 701.51 | 0.30% | (1.51) |
| | | | | | 32.58% |
| | | | | | 700.00 |
| Foreign | | | | | |
| Euro Forbes Limited, Dubai | 0.00% | -0.28% | (7.38) | -0.17% | 0.86 |
| Forbes Lux FZCO | -0.15% | -23.34% | (617.84) | 2.40% | (11.95) |
| Adjustment/ elimination on consolidation | -0.38% | 35.40% | 937.05 | 2.52% | (12.55) |
| | | | | | 43.02% |
| | | | | | 924.50 |
| Non-controlling Interest in all subsidiaries | 0.03% | -0.32% | (8.53) | 0.01% | (0.04) |
| | | | | | -0.40% |
| Total | 100.00% | 100.00% | 2,647.22 | 100.00% | (498.35) |
| | | | | | 100.00% |
| | | | | | 2,148.87 |



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