Information Memorandum
March 10, 2022

Eureka Forbes Limited

(formerly Forbes Enviro Solutions Limited)

(Our Company was incorporated as Forbes Water Limited on November 26, 2008 under the Companies Act, 1956 with the Registrar of Companies, Mumbai, and the name was changed to Forbes Enviro Solutions Limited vide Certificate of Incorporation dated January 12, 2010 issued by the aforesaid Registrar of Companies. Subsequently, the name of the Company was changed to Eureka Forbes Limited pursuant to the Composite Scheme of Arrangement and a fresh Certificate of Incorporation was issued by the Registrar of Companies, Mumbai, Maharashtra on February 11, 2022. The Corporate Identity Number of our Company is U27310MH2008PLC188478. For other details of the Company and address of the Registered Office of the Company, please refer to "History and Certain Corporate Matters" on page 60 of this Information Memorandum.)

Registered & Corporate Office: B1/B2, 7th Floor, 701, Marathon Innova, Off. Ganpatrao Kadam Marg
Lower Parel, Mumbai - 400013, Maharashtra, India
Tel.: +91 22 4882 1700; Fax: +91 22 4882 1701
Website: www.eurekaforbes.com, E-mail: compliance@eurekaforbes.com
Company Secretary, Head - Legal & Compliance Officer: Mr. Dattaram P Shinde; Email: dshinde@eurekaforbes.co.in
Chief Financial Officer: Mr. Rajagopalan Sambamoorthy; E-mail: rsm@eurekaforbes.com

Our Promoters: M/s Shapoorji Pallonji and Company Private Limited*

INFORMATION MEMORANDUM FOR LISTING OF 19,34,79,240 EQUITY SHARES OF FACE VALUE ₹ 10/- EACH ISSUED BY EUREKA FORBES LIMITED (THE "COMPANY" / "EFL") PURSUANT TO THE SCHEME OF ARRANGEMENT (THE "SCHEME")

NO EQUITY SHARES ARE PROPOSED TO BE SOLD OR OFFERED PURSUANT TO THIS INFORMATION MEMORANDUM

GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in the Equity Shares of the Company unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Equity Shares of the Company. For taking an investment decision, investors must rely on their own examination of the Company including the risks involved. The securities have not been recommended or approved by the Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of 'Risk Factors' given on page 08.

ABSOLUTE RESPONSIBILITY OF EUREKA FORBES LIMITED

The Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Information Memorandum contains all information with regard to the Company, which is material, and that the information contained in the Information Memorandum is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this Information Memorandum as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Equity Shares of our Company are proposed to be listed on the BSE Limited ("BSE"). Our Company has submitted the Information Memorandum with BSE and the same has been made available on our Company's website www.eurekaforbes.com. The Information Memorandum would also be made available on the website of BSE (www.bseindia.com).

REGISTRAR AND SHARE TRANSFER AGENT

Link Intime India Private Limited
C 101, 247 Park, L.B.S. Marg,
Vikhroli (West), Mumbai - 400 083
Contact Person: Raju Mahajan
Phone: +91 22 4918 6260
Email Id: raju.mahajan@linkintime.co.in
Website: www.linkintime.co.in

* *The existing Promoter of the Company, Shapoorji Pallonji and Company Private Limited may not continue as the Promoters of the Company in future. For details, refer to "History and Certain Corporate Matters - Share Purchase Agreement" on page 64 of the Information Memorandum regarding proposed change in Promoter of the Company.*

Table of Contents

DEFINITIONS, ABBREVIATIONS AND INDUSTRY RELATED TERMS

Company related terms

Term	Description
"EFL", "Eureka Forbes", "the Company", "our Company", "we", "us" or "our"	Unless the context otherwise requires, refers to, Eureka Forbes Limited, (formerly Forbes Enviro Solutions Limited) a public limited company incorporated under the Companies Act, 1956 and governed under the Companies Act, 2013 and having Corporate Identity Number U27310MH2008PLC188478.
Erstwhile Eureka Forbes Limited/ Erstwhile EFL	Erstwhile Eureka Forbes Limited, which now stands amalgamated into Forbes & Company Limited w.e.f. February 01, 2022 and was having Corporate Identity Number U27109MH1931PLC353890.
Articles / Articles of Association / AOA	The Articles of Association of our Company, as amended from time to time
Statutory Auditors / Auditors	The Statutory Auditors of our Company, Batliboi and Purohit, Chartered Accountants
Board of Directors / the Board / our Board	The Board of Directors of Eureka Forbes Limited and its committees
Directors / our Directors	The Director(s) of Eureka Forbes Limited, unless otherwise specified
Memorandum / Memorandum of Association / MOA	The Memorandum of Association of our Company, as amended from time to time
Registered Office / Our Registered Office	B1/B2, 7th Floor, 701, Marathon Innova, Off. Ganpatrao Kadam Marg Lower Parel. Mumbai - 400013, Maharashtra, India
Promoter(s)	M/s Shapoorji Pallonji and Company Private Limited * ** The existing Promoter of the Company, Shapoorji Pallonji and Company Private Limited may not continue as the Promoters of the Company in future. For details, refer to "History and Certain Corporate Matters - Share Purchase Agreement" on page 64 of the Information Memorandum regarding proposed change in Promoter of the Company.*
Promoter Group	Forbes Campbell Finance Limited
Subsidiary(ies)	1. Forbes Aquatech Limited 2. Infinite Water Solutions Private Limited 3. Euro Forbes Limited, Dubai 4. Forbes Lux FZE, Dubai (formerly Forbes Lux FZCO)

Conventional and General Terms / Abbreviations

Term	Description
Act or Companies Act	The Companies Act 1956 and/or The Companies Act, 2013, as amended
AGM	Annual General Meeting
Applicable Laws	Any statute, notification, by-laws, rules, regulations, guidelines, Common law, policy code, directives, ordinance, schemes, notices, orders or instructions, laws enacted or issued or sanctioned by any appropriate authority in India including any modifications or re-enactment thereof for the time being in force.
BSE	BSE Limited
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
Depositories Act	The Depositories Act, 1996, as amended from time to time
Depository / Depositories	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996, as amended from time to time, in this case being NSDL and CDSL
Depository Participant / DP	Depository Participant as defined under the Depositories Act, 1996
DIN	Director Identification Number
DP ID	Depository Participant Identity
EBITDA	Earnings before Interest, Tax, Depreciation and Amortisation
EGM	Extra-ordinary General Meeting

Term	Description
EPS	Earnings per Share
Equity Shares	Equity Shares of our Company of face value ₹ 10 each, unless otherwise specified in the context thereof
Financial Year / Fiscal Year / FY	Twelve months ending on March 31 of a particular year
HUF	Hindu Undivided Family
Ind-AS	Indian Accounting Standards (Generally Accepted Accounting Principles in India)
IFRS	International Financial Reporting Standards issued by International Accounting Standards Board (IASB)
Information Memorandum	This document dated February 19, 2022 filed with BSE and referred to as the Information Memorandum
KMP	Key Managerial Personnel
NCLT	Hon'ble National Company Law Tribunal
NSDL	National Securities Depository Limited
PAN	Permanent Account Number
RBI	Reserve Bank of India
SCRA	Securities Contracts (Regulation) Act, 1956 as amended from time to time
SCRR	Securities Contracts (Regulations) Rules, 1957 as amended from time to time
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI LODR Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
Stock Exchange(s)	Shall refer to the BSE Limited ("BSE") where the Equity Shares of EFL are proposed to be listed.

Scheme of Arrangement related terms

Term	Description
Appointed Date	February 01, 2022
Demerged Company	Forbes & Company Limited ("FCL")
Effective Date	The last of the dates on which the conditions specified in Clause 41 of the Scheme are complied with. Any references in this Scheme to the date of "coming into effect of this scheme" or "effectiveness of this scheme" or "Scheme taking effect" shall mean the Effective Date.
National Company Law Tribunal / NCLT / Tribunal	The National Company Law Tribunal, Mumbai Bench or any other bench having jurisdiction over the Demerged Company and/or Resulting Company
Record Date	The date to be fixed by the Board of Directors of EFL and FCL for the purpose of issue of shares of EFL to the shareholders of the FCL
Resulting Company	Eureka Forbes Limited (formerly Forbes Enviro Solutions Limited)
Scheme	The Composite Scheme of Arrangement as filed under Section 230 to 232 of the Act read with section 66 and other relevant provisions of the Act, as applicable from time to time, is in between **Aquaignis Technologies Private Limited** ("**ATPL**"), **Euro Forbes Financial Services Limited** ("**EFFSL**"), **Erstwhile Eureka Forbes Limited**, **FCL** and **the Company** with effect from the Appointed Date and upon effectiveness of the Scheme on the Effective Date.
SEBI Circulars	SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 and Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, issued by SEBI and as amended from time to time or any other circular(s) issued by SEBI applicable to a scheme of arrangement by Listed Entities and Relaxation scheme as amended or any other circulars issued by SEBI applicable to schemes of arrangement from time to time

CURRENCY OF FINANCIAL PRESENTATION

In the Information Memorandum, the terms "we", "us", "our", the "Company", "our Company", "EFL", unless the context otherwise indicates or implies, refers to Eureka Forbes Limited (formerly Forbes Enviro Solutions Limited). In the Information Memorandum, unless the context otherwise requires, all references to one gender also refers to another gender and the word "Lac / Lakh" means "one hundred thousand", the word "million (mn)" means "ten lac / lakh", the word "Crore" means "ten million" and the word "billion (bn)" means "one hundred crore".

Throughout the Information Memorandum, unless otherwise stated, all figures have been expressed in ₹ lakhs except the financial statements of our Company. Unless indicated otherwise, the financial data in the Information Memorandum is derived from our financial statements prepared in accordance with IndAS and included in the Information Memorandum. In the Information Memorandum, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off.

There may be some differences between Ind-AS and IFRS and / or US GAAP; accordingly, the degree to which the Ind-AS financial statements included in the Information Memorandum will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practice and Ind-AS. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in the Information Memorandum should accordingly be limited. We have not attempted to explain those differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

For additional definitions used in the Information Memorandum, see the section "Definitions, Abbreviations and Industry related terms" on page 01 of the Information Memorandum. In the section titled "Main Provisions of the Articles of Association" on page 119 defined terms have the meaning given to such terms in the Articles of Association of our Company.

USE OF MARKET DATA

Unless stated otherwise, market data used throughout the Information Memorandum was obtained from internal Company reports, data, websites and industry publications. Industry publication data and website data generally state that the information contained therein has been obtained from sources believed to be reliable, but that their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

Although, we believe market data used in the Information Memorandum is reliable, it has not been independently verified. Similarly, internal Company reports and data, while believed by us to be reliable, have not been verified by any independent source.

FORWARD LOOKING STATEMENT

We have included statements in the Information Memorandum which contain words or phrases such as "will", "aim", "is likely to result", "believe", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "contemplate", "seek to", "future", "objective", "goal", "project", "should", "will pursue" and similar expressions or variations of such expressions, that are "forward-looking statements".

All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our expectations include but are not limited to:

- General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
- Changes in laws and regulations relating to the industries in which we operate;
- Increased competition in these industries;
- Our ability to successfully implement our growth strategy and expansion plans, and to successfully launch and implement various projects and business plans for which funds are being raised through this Issue;
- Challenges in meeting capital expenditure requirements;
- Fluctuations in operating costs;
- Our ability to attract and retain qualified personnel;
- Changes in technology;
- Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- The performance of the financial markets in India and globally; and
- Any adverse outcome in the legal proceedings in which we are involved.

For a further discussion of factors that could cause our actual results to differ, please refer to the sections titled "Risk Factors" and "Our Business" on pages 08 and 49 of the Information Memorandum respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither we nor our Directors have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

INFORMATION MEMORANDUM SUMMARY

This section contains the summary of following information:

A. Primary Business of the Company

We are one of the leading retail brands for health, hygiene and safety solutions in India and one of the dominant players focusing on quality and innovation across a range of different product categories in the health, hygiene and safety solutions space. Our businesses can be broadly classified as business of manufacturing, selling and servicing of vacuum cleaners, water filter cum purifiers, water and waste water treatment plants, trading in electronic air cleaning systems, small household appliances, digital security systems, air-conditioners and all kinds of electrical & non-electrical appliances, etc. We also have a strong distribution and after sale service network for our products.

Our Company has a resilient product portfolio which straddles across the pricing pyramid. Our flexible business model allows us to adapt and respond quickly, to develop new offerings that suit changing needs during economic downturns.

B. Industry in which the Company operates

Our Company operates in the consumer products industry catering to the health and safety solutions.

C. Promoters of the Company

The Promoter of our Company is M/s Shapoorji Pallonji and Company Private Limited. *

** The existing Promoter of the Company, Shapoorji Pallonji and Company Private Limited may not continue as the Promoters of the Company in future. For details, refer to "History and Certain Corporate Matters - Share Purchase Agreement" on page 64 of the Information Memorandum regarding proposed change in Promoter of the Company.*

D. Shareholding of the Promoter and Promoter Group of the Company

Name	No. of shares held	%age of holding
Shapoorji Pallonji and Company Private Limited	14,03,89,395	72.56
Forbes Campbell Finance Limited	24,95,970	1.29
Total ➔	**14,28,85,365**	**73.85**

E. Summary of the financial information of the Company

The summary of the financial information of the Company for the period ended November 30, 2021, March 31, 2021, March 31, 2020 and March 31, 2019 is as under:

(₹ in lakhs)

Particulars	Period ended November 30, 2021*	Year ended March 31, 2021*	Year ended March 31, 2020*	Year ended March 31, 2019*
Share Capital	482.73	482.73	482.73	282.73
Net Worth	(184.02)	13.86	175.27	65.25
Revenue from operations	640.78	784.63	1,634.15	2,592.51
Other income	1.32	4.81	4.97	9.22
Profit/ (Loss) after tax and after share of associate (net of tax)	(200.18)	(163.05)	(89.25)	(69.54)
Profit/ (Loss) after tax and after share of joint ventures (net of tax)	(200.18)	(163.05)	(89.25)	(69.54)
Earnings per share (in ₹)	(4.15)	(3.38)	(2.22)	(2.46)
Total borrowings **	150.00	150.00	150.00	448.24

* The Appointed Date for the Scheme is February 01, 2022 and therefore the above financial summary do not contain the impact upon effectiveness of the Scheme

** Does not include lease liabilities

F. Auditor qualifications which have not been given effect to in the financial statements

There is no audit qualification in the financial statements as disclosed in the Information Memorandum.

G. Summary table of outstanding litigations and a cross-reference to the section titled 'Outstanding Litigations and Material Developments'

The summary of the outstanding litigations is as under:

Particulars	Against the Company		By the Company	
	No. of cases	Claim (Rs.)	No. of cases	Claim (Rs.)
Arbitration & Mediation	-	-	9	6,09,57,121
Insolvency & Bankruptcy Code	-	-	1	74,92,216
Consumer Protection Act	249	4,76,45,452	-	-
Labour laws	23	2,45,55,095	2	2,14,760
Motor Vehicle Act	5	1,25,03,991	-	-
Negotiable Instrument Act	-	-	52	2,48,86,599
Intellectual Property Rights	4	-	2	2,50,00,000
Criminal Defamation	-	-	1	50,00,00,000
Other Criminal Complaints	-	-	19	5,23,34,000
Other Civil Cases	11	6,95,000	20	6,80,40,491
Grand Total	**292**	**8,53,99,538**	**106**	**73,89,25,187**

For details, refer to the section titled "Outstanding Litigations and Material Developments" on page 91 of the Information Memorandum.

H. Summary table of contingent liabilities

The summary of contingent liabilities of the Company is as follows:

(₹ in lakhs)

Particulars	Period ended November 30, 2021	Year ended March 31, 2021
Sales Tax Matters F.Y.2002-03, 2004-05, 2011-12 and 2013-14	18.60	0.86
Bank Guarantees	7.51	12.22

Note: The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.

For details, refer to the section titled "Financial Statements" on page 88 of the Information Memorandum.

I. Summary of related party transactions since incorporation

For details, refer to the section titled "Financial Statements" on page 88 of the Information Memorandum.

J. There has been no financing arrangement whereby the members of our Promoter Group, Directors of our Promoters, our Directors, or any of their respective relatives have financed the purchase by any other person of securities of our Company during the six months preceding the date of this Information Memorandum.

K. Weighted average price at which specified security was acquired by each of the promoters in the last one year

Our Promoters and Promoter Group have not acquired any shares of our Company during the last one year except the Equity Shares allotted by the Company on February 14, 2022 pursuant to the Scheme.

L. Except the Equity Shares allotted by the Company on February 14, 2022 pursuant to the Scheme, the Company has not issued any equity shares for consideration other than cash during the last one year.

RISK FACTORS

An investment in equity securities involves a high degree of risk. You should carefully consider all of the information in this Information Memorandum, including the risks and uncertainties described below. If any of the following risks or other risks that are not currently known or are now deemed immaterial, actually occur, our Company's business, results of operations and financial condition could suffer, the price of the Equity Shares could decline, and all or part of your investment may be lost. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are certain risk factors where the effect is not quantifiable and hence has not been disclosed in such risk factors. You should not invest in the Equity Shares unless you are prepared to accept the risk of losing all or part of your investment, and you should consult your tax, financial and legal advisors about the particular consequences to you of an investment in the Equity Shares.

INTERNAL RISK FACTORS

1. Upon listing of equity shares, the promoter and promoter group of our Company may also undergo a change and certain non-executive directors of our Company may resign from the Board of our Company pursuant to the change and control of the Promoters and Promoter Group of our Company.

The Board of Directors of Forbes and Company Limited, (the "Demerged Company" under the Composite Scheme of Arrangement) has, in its Board Meeting held on September 19, 2021, approved the execution of a Share Purchase Agreement with Lunolux Limited, a company incorporated and registered under the laws of Cyprus, and having its Registered Office at 23, Kennedy Avenue, Globe House, Ground and First Floor, 1075, Nicosia, Cyprus alongwith Shapoorji Pallonji and Company Private Limited (the "Seller"), Forbes Campbell Finance Limited, Erstwhile Eureka Forbes Limited and the Company, for the acquisition by Lunolux Limited of a majority stake in the health and safety solutions business of Erstwhile Eureka Forbes Limited. Upon listing of the Company, Lunolux Limited, along with persons acting in concert with it, will trigger a mandatory open offer in terms of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (as amended from time to time) ("**SEBI Takeover Regulations**"). Pursuant to the terms of the SPA, Lunolux Limited, will purchase up to 72.56% of the Company's then outstanding stock on a fully diluted basis from the Seller. The transaction is subject to closing conditions and receipt of relevant statutory and regulatory approvals. For details, refer to "History and Certain Corporate Matters - Share Purchase Agreement" on page 64 of the Information Memorandum.

Pursuant to completion of the transactions contemplated under Tranche 1 under the SPA, there will be a change in control and management of our Company and Lunolux Limited will become the promoter of the Company and specific non-executive directors of the Company as may be identified by Lunolux Limited shall resign from the Board of our Company. Pursuant to such change, Shapoorji Pallonji and Company Private Limited and Forbes Campbell Finance Limited intend to be reclassified as a 'public shareholder' after the consummation of the transaction in accordance with Regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The proposed change in control and management of our Company may adversely affect the operations of our Company.

2. The current and continuing impact of the ongoing COVID-19 pandemic on our business and operations has been significant. The impact of the pandemic on our operations in the future, is uncertain and may be significant and continue to have an adverse effect on our business prospects, strategies, business, operations, our future financial performance, and the price of our Equity Shares.

The outbreak of the COVID-19 pandemic and its continuing impact, as well as government measures to reduce the spread of COVID-19, have had a substantial impact on our operations since last week of March 2020. The impact of the pandemic on our business, operations and future financial performance have included and may continue to include the following:

- Temporary as well as permanent closures of all physical sales channels and reduced operating hours as mandated by regional regulatory bodies.
- Temporary decline in availability of workforce due to employees contracting the virus, and restrictions on certain of our employees from commuting to their places of work.
- Temporary closure of our warehouse including due to limited availability of workforce and in compliance with regulations mandated by regional regulatory bodies.

- Disruptions of the services we receive from third-parties including vendors and logistics service providers.
- The eventual outcome of impact of COVID-19 pandemic may be different from those estimated. While we cannot currently estimate the duration or future negative impact of the COVID-19 pandemic on our business or on the Indian or global economy, we expect the negative effects to continue into Fiscal 2022. There is no certainty if additional restrictions will be put back in place or if another lockdown would be imposed to control the spread of the pandemic. In addition, if our Key Managerial Personnel or a significant percentage of our workforce is unable to work due to COVID-19 illness, quarantine, limitations on travel or other government restrictions in connection with the COVID-19 pandemic, our operations may be negatively impacted. An outbreak or perceived outbreak of the COVID-19 pandemic connected to one or more of our stores could also cause negative publicity directed at our brand and cause customers to avoid visiting our stores, which could have a material adverse effect on our business, results of operations, financial condition, cash flows, reputation and prospects.

The financial impact of COVID-19 has had, and is expected to continue to have, an adverse effect on our liquidity, and we continue to monitor and assess our access to appropriate sources of liquidity in order to sustain our business throughout this crisis, and there can be no assurance that additional liquidity from other sources will be available to us on favorable terms, or at all.

3. ***We rely heavily on our brand portfolio, and our inability to successfully maintain and promote our brand portfolio may adversely affect our results of operations.***

We believe that the market perception of our brands is one of the key factors for the sustained demand of our products amongst consumers. Our business performance is substantially dependent upon the continued success of our brand “Aquaguard”, “Aquasure”, “Euroclean”, “Forbes”, “Sure from Forbes”, “Aeroguard” and “Eurovigil”. A brand’s reputational value is based in large part on consumer perceptions, and even an isolated incident that causes harm, particularly one resulting in widespread negative publicity, could adversely influence consumer perceptions and erode consumer trust and confidence in the brand. We believe that continuing to develop awareness of our brands, through focused and consistent branding and marketing initiatives is important for our ability to increase our sales volumes and our revenues, grow our existing market share and expand into new markets and new product categories. Consequently, product defects, consumer complaints, or negative publicity or media reports involving us, or any of our brands or products or any specific product could harm our brands and reputation and may dilute the impact of our branding and marketing initiatives and adversely affect our business and prospects. Negative media coverage regarding the safety or quality of our products or any specific product, and the resulting negative publicity, could materially and adversely affect the level of consumer recognition of, and trust in us or our brands and our products. Any negative publicity or disputes involving our brands could materially adversely affect our business, financial condition and results of operations.

Currently, in addition to retail (including, physical outlets) and franchisee distribution network, we list our products on various e-commerce websites and our customers are increasingly using such platforms to provide feedback and information about products and store experiences, in a manner that can be quickly and broadly disseminated. Our brands could be damaged by any negative publicity on social media platforms or by claims or perceptions about the quality or safety of the products sold at our stores, regardless of whether such claims or perceptions are true. Any untoward incidents such as litigation or negative publicity, whether isolated or recurring and whether originating from us or otherwise, affecting our business, or suppliers, can significantly reduce our brand value and consumer trust.

We believe that a large part of the success of our brands is attributable to the after sales services provided by our in-house service personnel and franchise business partners, and any deficiency in such after sales services may adversely impact the reputation of our brands. Further, we may not be able to collect customer feedback in an adequate or frequent manner, or implement it effectively to improve our products and services, which may adversely impact the development of products in the future for new product and market segments.

Maintaining and enhancing our brand image may also require us to undertake significant expenditures and make investments in areas such as research and development, advertising and marketing, through media and other channels of publicity, and towards employee development and training. If our initiatives in any of these areas are not effectively implemented or our products fail to find acceptance with our existing and potential customers resulting in loss of customer confidence in our brand for any reason, our ability to attract and retain customers could be adversely affected.

4. ***Our Company's failure to maintain the quality standards of the products could adversely impact our business, results of operations and financial condition.***

We have put in place strict quality control procedures but we cannot assure that our products will always be able to satisfy our customer's quality standards. Any negative publicity regarding our Company, or products, including those arising from any deterioration in quality of our products from our vendors, or any other unforeseen events could adversely affect our reputation and our operations. Introduction of new products or for any other reason, any failure on our part to meet their expectation could adversely affect our business, result of operations and financial condition.

5. ***Our Company is involved in certain legal proceedings, which, if determined adversely, may adversely affect our business and financial condition.***

Our Company is involved in certain legal proceedings at different levels of adjudication before various courts, tribunals and appellate authorities. In the event of adverse rulings in these proceedings or consequent levy of penalties by other statutory authorities, our Company may need to make payments or make provisions for future payments, which may increase expenses and current or contingent liabilities and also adversely affect our reputation. A summary of the proceedings involving our Company is provided below:

Particulars	**Against the Company**		**By the Company**	
	No. of cases	**Claim (Rs.)**	**No. of cases**	**Claim (Rs.)**
Arbitration & Mediation	-	-	9	6,09,57,121
Insolvency & Bankruptcy Code	-	-	1	74,92,216
Consumer Protection Act	249	4,76,45,452	-	-
Labour laws	23	2,45,55,095	2	2,14,760
Motor Vehicle Act	5	1,25,03,991	-	-
Negotiable Instrument Act	-	-	52	2,48,86,599
Intellectual Property Rights	4	-	2	2,50,00,000
Criminal Defamation	-	-	1	50,00,00,000
Other Criminal Complaints	-	-	19	5,23,34,000
Other Civil Cases	11	6,95,000	20	6,80,40,491
Grand Total	**292**	**8,53,99,538**	**106**	**73,89,25,187**

 # To the extent quantifiable

If any new developments arise, such as a change in Indian law or rulings against us by courts, appellate courts or tribunals, we may need to make provisions that could increase our expenses and current liabilities. Further, such legal proceedings could divert our management's time and attention and cause us to incur significant expenses. Any adverse decision in any of these proceedings may have an adverse effect on our business, results of operations and financial condition. For details of the outstanding litigation proceedings, see "*Outstanding Litigation and Material Developments*" on page 91.

6. ***Our operations are significantly dependent on relationship marketing division, retail and franchisee distribution network and also third parties including e-commerce websites for the distribution and sales and service of our products.***

We are dependent on our relationship marketing division, retail and franchisee distribution network and also third parties including e-commerce websites in relation to our distribution and sales. Our products which are distributed and sold through third party retail stores and other channels of retail, over which we have limited control. In the event that the third-party retail chain stores are unable to accommodate all our products as per the demand of our products for a particular region, we may lose our market share. We also depend on third party logistics service providers for the transportation of raw materials to our manufacturing facilities, and for the distribution of finished products directly to customers. Any disruption in the logistics, including at the level of the transportation agencies, may impact our ability to reach the markets with our finished products within the desired timelines, which may adversely impact our business, financial condition and results of operations.

7. ***Expansion into new geographic regions and markets may subject us to various challenges.***

We intend to increase the sales and distribution of our products in Indian states where large markets exist for the segments in which we operate, as well as introduce new products and brands in the states where we currently operate. Further, we may not be able to effectively assess the level of promotional marketing required in a particular state, and the recognition of our brands and products in such states may not be in the manner or to the extent anticipated by us. Our expansion into new geographies may also be challenging on account of our lack of familiarity with the social, political, economic and cultural conditions of these new regions, language barriers, difficulties in staffing and managing such operations and the lack of brand recognition and reputation in such regions. We may also encounter other additional anticipated risks and significant competition in such markets. Due to our limited experience in undertaking certain types of markets or offering certain services, our entry into new business segments or new geographical areas may not be successful, which could hamper our growth and damage our reputation. We may be unable to compete effectively for products in these segments.

Further, our new business or projects may turn out to be mutually disruptive and may cause an interruption to our business as a result. If we are unable to successfully execute our growth and expansion strategies, our business, prospects and results of operations could be materially and adversely affected.

8. ***We require certain approvals, licenses, registrations and permits to operate our business, and failure to obtain or renew them in a timely manner or maintain the statutory and regulatory permits and approvals required to operate our business may adversely affect our operations and financial conditions.***

We require certain statutory and regulatory permits, licenses and approvals to operate our business. Though we believe that we have obtained those permits and licenses which are adequate to run our business, there is no assurance that there are no other statutory/regulatory requirements which we are required to comply with. However, some of the approvals are granted for a fixed period of time and need renewal from time to time. We are required to renew such permits, licenses and approvals. Further, certain licenses and registrations obtained by our Company contain certain terms and conditions, which are required to be complied with. Any default by our Company in complying with the same, may result in inter-alia the cancellation of such licenses, consents, authorizations and/or registrations, which may adversely affect our operations. There can be no assurance that the relevant authorities will issue or renew any of such permits or approvals in time or at all. Failure to renew, maintain or obtain the required permits or approvals in time may result in the interruption of our operations and may have a material adverse effect on our business.

9. ***We face competition in our business from international and domestic brands. Such competition would have an adverse impact on our business and financial performance.***

The industry, in which we are operating, is highly and increasingly competitive and our results of operations and financial condition are sensitive to, and may be materially adversely affected by, competitive pricing and other factors. Competition may result in pricing pressures, reduced profit margins or loss of market share or a failure to grow our market share, any of which could substantially harm our business and results of operations.

The competitive challenges facing us include:

- anticipating and quickly responding to changing consumer demands or preferences better than our competitors;
- fragmented market divided between big players accounting for about half of the market and small and regional players;
- maintaining favourable brand recognition and achieving customer perception of value;
- effectively marketing and competitively pricing our products to consumers in diverse market segments;
- effectively managing and controlling our costs and pricing to effectively compete with regional players;

- adopting a balance between high quality and pricing;
- effectively managing increasingly competitive promotional activity;
- effectively attracting new customers;
- developing new innovative shopping experiences in retail stores;
- developing innovative, high-quality products in colours and styles that appeal to consumers of varying age groups, tastes, regions, and in ways that favourably distinguish us from our competitors; and
- effectively managing our supply chain and distribution strategies in order to provide our products to our consumers on a timely basis and minimize returns, replacements and damaged products

There can be no assurance that we can effectively compete with our competitors in the future, and any such failure to compete effectively may have a material adverse effect on our business, financial condition and results of operations.

10. We could be harmed by employee misconduct or errors that are difficult to detect and any such incidences could adversely affect our financial condition, results of operations and reputation.

Employee misconduct or errors could expose us to business risks or losses, including regulatory sanctions and serious harm to our reputation. There can be no assurance that we will be able to detect or deter such misconduct. Moreover, the precautions we take to prevent and detect such activity may not be effective in all cases. Our employees may also commit errors that could subject us to claims and proceedings for alleged negligence, as well as regulatory actions on account of which our business, financial condition, results of operations and goodwill could be adversely affected.

11. Our manufacturing operations are critical to our business and any shutdown of our manufacturing facilities may have an adverse effect on our business, results of operations and financial condition.

Any local, social unrest, natural disaster or breakdown of services and utilities could have material adverse effect on the business and result of operations. Our facilities are subject to operating risks like breakdown or failure of equipment, power supply or processes and performance below expected levels of efficiency, obsolescence, natural disaster, industrial accidents and the need to comply with the directives of relevant government authorities. In the event that we are forced to shut down our facilities for a significant period of time, it would have a material adverse effect on our business, results of operations and financial condition. Further, continuous addition of industries in and around our manufacturing facilities without commensurate growth of its infrastructural facilities may put pressure on the existing infrastructure therein, which may adversely affect our business. Further, the spiraling cost of living around our facilities may push our manpower costs higher, which may reduce our margin and cost competitiveness.

12. Our retail business is subject to seasonal volatility, which may affect our results of operations and financial condition.

Our business and the appliances industry in general is subject to seasonality. Our business is also affected by certain festivals which lead to an increase in our sales. The seasonality of our business operations and health and safety solutions industry in general, may cause fluctuations in our results of operations and financial condition.

13. We may be exposed to potential liabilities from any personal injury claims alleging any deficiency in our products or in counterfeit products of an inferior quality.

Our business may be adversely affected by litigation and complaints from customers or government authorities resulting from deficiencies in our products. We could also incur significant liabilities if a lawsuit or claim results in a decision against us and substantial litigation costs in relation to these lawsuits. For further details in relation to consumer claims filed against our Company, see "*Outstanding Litigation and Material Developments*" on page 91. Further, our business could be harmed in the event of the sale of any defective or misbranded product. Our products are also exposed to the risk of being counterfeited by third parties using intellectual properties or brands/ logos/ designs or copying our packaging to sell their products.

14. ***We operate in a labor-intensive industry and are subject to stringent labor laws and any strike, work stoppage or increased wage demand by our employees or any other kind of disputes with our employees could adversely affect our business, financial condition, results of operations and cash flows.***

Our manufacturing processes are labor intensive in nature. Further, if we or our contractors are unable to negotiate with the labor or their sub-contractors, it could result in work stoppages or increased operating costs due to higher than anticipated wages or benefits.

During periods of shortages in labor, we may not be able to manufacture our products according to our previously determined time frames, at our previously estimated product costs, or at all, which may adversely affect our business, results of operations, cash flows and reputation.

We are also subject to a number of stringent labor laws that protect the interests of workers, including legislation that sets forth detailed procedures for dispute resolution and employee removal and legislation that imposes financial obligations on employers upon retrenchment. If labor laws become more stringent, it may become more difficult for us to maintain flexible human resource policies, discharge employees or downsize, any of which could have a material adverse effect on our business, financial condition, results of operations, cash flows and prospects.

In addition, the Company has entered into contracts with independent contractors under the Contract Labour (Regulation and Abolition) Act, 1970 and the Company may be liable for defaults, if any with respect to such contractors. If we are unable to renew the contracts with our independent contractors at commercially viable terms or at all, our business, financial condition, results of operations and cash flows could be materially and adversely affected.

There can be no assurance that strikes or work stoppages will not occur in the future. In addition, work stoppages or slowdowns experienced by our customers or key suppliers could result in slow-downs or closures of our units where our products are included in the end products. If we or one or more of our customers or key suppliers experience a work stoppage, such work stoppage could have an adverse effect on our business, financial condition, cash flows and results of operations.

15. ***Our inability or failure to maintain a balance between optimum inventory levels and our product offering may adversely affect our business, results of operations and financial condition.***

We strive to keep optimum inventory at the outlets of our retail partners and our warehouses to control our costs and working capital requirements. To maintain an optimal inventory, we monitor our inventory levels based on our projections of demand as well as on a real-time basis. However, unavailability of products, due to high demand or inaccurate forecast, may result in loss of sales and adversely affect our customer relationships. Conversely, an inaccurate forecast can also result in an over-supply of products, which may increase inventory costs, negatively impact cash flow, reduce the quality of inventory, shrinkages and ultimately lead to reduction in margins. Further, some of our products can become obsolete in terms of designs, and any inventory that we hold with respect to old designs may not get sold or replaced by our suppliers. Any of the aforesaid circumstances could have a material adverse effect on our business, results of operations and financial condition.

16. ***The insurance coverage taken by us may not be adequate to protect against certain business risks and this may have an adverse effect on the business operations.***

Our operations are subject to risks inherent to the engineering and manufacturing industry, such as work accidents, storm, fire, earthquake, flood, hurricanes, inundation, explosions including hazards that may cause severe damage, including the physical destruction of property, breakdown of machinery and other force majeure events. We are subject to losses resulting from defects or damages arising during transit of our products. We maintain insurance coverage, including insurance in relation to standard fire and other special perils and burglary insurance.

Notwithstanding the insurance coverage that we carry, the occurrence of an event that causes losses in excess of the limits specified in our policies, or losses arising from events not covered by insurance policies, could materially harm our financial condition and future results of operations. Additionally, there may be various other risks and losses for which we are not insured, either because such risks are uninsurable or not insurable on commercially acceptable terms. In addition, in the future, we may not be able to maintain insurance of all types which we deem necessary or adequate or at rates which we consider reasonable. While we have not faced instances of uninsured losses in the past three fiscals, the occurrence of an event for which we are not adequately or sufficiently insured or the successful assertion of one or more large claims against us that exceed available insurance coverage, or changes in our insurance policies (including premium increases or the imposition of large deductible or co-insurance requirements), could have an adverse effect on our business, reputation, results of operations, financial condition and cash flows. There may also be certain types of risks (including but not limited to business disruptions) for which we are not covered. For instance, we do not have insurance policies that cover the losses incurred due to COVID - 19 pandemic, or any such instances.

Although we have obtained insurance for our employees as required by Indian laws and regulations, as well as our important properties and assets, our insurance may not be adequate to cover all potential liabilities. We cannot assure you that insurance will be generally available in the future or, if available, that the premiums will not increase or remain commercially justifiable. If we incur substantial liability and the insurance does not, or is insufficient to, cover the damages, our business, financial condition, results of operations and prospects may be materially adversely affected.

17. ***Our financing agreements entail interest at variable rates and any increases in interest rates may adversely affect our results of operations.***

We are susceptible to changes in interest rates and the risks arising therefrom. Most of our financing agreements provide for interest on loans at variable rates with a provision for the periodic resetting of interest rates. Further, under certain of our financing agreements, the lenders are entitled to change the applicable rate of interest, which is a combination of a base rate and a contractually agreed spread. Certain loans are also extended at interest rates that are subject to periodic change from time to time based on the lender's internal policies. See the section named "Financial Indebtedness" on page 89 of this Information Memorandum for a description of interest payable under our financing agreements. Further, in recent years, the Government of India has taken measures to control inflation, which have included tightening the monetary policy by raising interest rates. As such, any increase in interest rates may have an adverse effect on our business, results of operations, cash flows and financial condition.

18. ***Our success depends largely upon the services of our Promoters/Directors, Core Leadership Team and other Key Managerial Personnel and our ability to retain them. Our inability to attract and retain senior managerial personnel may adversely affect the operations of our Company.***

Our Company's performance is largely dependent upon the services of our Promoters/Directors, Core Leadership Team and other Key Managerial Personnel. Our Promoters and Core Leadership Team have built relations with persons who are connected with our business. Further, our Key Managerial Personnel also possesses the requisite domain knowledge. Any failure or inability of our Company to attract and retain human resources may affect the operations and ability to expand our business.

19. ***Any change in the technology may render our current technologies obsolete or require us to make substantial capital investment to cope with the market.***

Technology upgradation is a regular process and it is also essential for providing the desired quality to the customers. We are taking all the possible steps to keep our manufacturing facilities in line with the latest technology. However, any further upgradation in the technology may render our current technology obsolete and require us to upgrade the existing technology or implement new technology. Further implementing new technology may require us to incur huge capital expenditure which could affect our cash flows and result of operations.

20. ***Our business depends on the performance of its information technology systems and any interruption or abnormality in the same may have an adverse impact on our business operations and profitability.***

We have an enterprise support system which integrates and collates data of purchase, sales, reporting, accounting, stocks, etc. We utilise our information technology systems to monitor all aspects of our business and rely to a significant extent on such systems for the efficient operation of our business, including, monitoring of inventory levels, allocation of products to our stores and budget planning. We have customer database to support Customer Relationship Management(CRM). Our information technology systems may not always operate without interruption and may encounter abnormality or become obsolete, which may affect our ability to maintain connectivity with our manufacturing facilities, warehouses and sales channel. We cannot assure you that we will be successful in developing, installing, running and migrating to new software system or systems as required for our overall operations and in staying technologically competitive with our peers. Even if we are successful in this regard, significant capital expenditures may be required, and we may not be able to benefit from the investment immediately. All of these may have a material adverse impact on our operations and profitability. Also, the regular maintenance and upgrade of the information technology systems involves capital and operating costs to be incurred by the Company. Any failure in the existing information technology systems may necessitate the Company to switch to a different system, implementation of which may result in significant costs to the Company.

Also, our Company cannot guarantee that the level of security it presently maintains is adequate or that its systems can withstand intrusions from or prevent improper usage by third parties. Our Company's failure to continue its operations without interruption due to any of these reasons may adversely affect our Company's results of operations.

21. ***We may not be able to pay dividends in the future.***

We have not paid any dividends to our equity shareholders in the past. There can be no assurance that we will pay any dividends in the future and, if we do, as to the level of such future dividends. Dividends distributed by us will be taxable in the hands of the recipient at rates applicable on such recipient from time to time. The declaration, payment and amount of any future dividends is subject to the discretion of our Board, and will depend upon various factors, inter alia, our earnings, financial position, capital expenditures and availability of profits, restrictive covenants in our financing arrangements and other prevailing regulatory conditions from time to time. Any of these factors may thus restrict our ability to pay dividends in the future.

EXTERNAL RISK FACTORS

22. ***A slowdown in economic growth in India could cause our business to suffer.***

Our performance and the growth of our business are necessarily dependent on the health of the overall Indian economy. As a result, a slowdown in the Indian economy could adversely affect our business. India's economy could be adversely affected by a general rise in interest rates, inflation, natural calamities, such as earthquakes, tsunamis, floods and drought, increases in commodity and energy prices, and protectionist efforts in other countries or various other factors. For instance, in periods prior to Fiscal Year 2016, India experienced a slowdown in economic growth due to a variety of factors, including unsustainably high current account deficit, capital outflows and consequent exchange rate pressures. Similarly, during 2020, the overall economy was adversely affected on account of the impact of COVID-19 across industries and sectors. Despite the recent signs of an economic turnaround in the Indian economy, there is no assurance that growth will not slow down again or that inflation will not increase further in the future. It is difficult to gauge the impact of these fundamental economic changes on our business. Any slowdown in the Indian economy or future volatility in global commodity prices could adversely affect our business.

23. ***Changing regulations in India could lead to new compliance requirements that are uncertain.***

The regulatory and policy environment in which we operate is evolving and is subject to change. The Government of India may implement new laws or other regulations and policies that could affect the e-commerce in general, which could lead to new compliance requirements, including requiring us to obtain approvals and licenses from the Government and other regulatory bodies, or impose onerous requirements.

For instance, the Government of India has recently introduced (a) the Code on Wages, 2019 ("**Wages Code**"); (b) the Code on Social Security, 2020 ("**Social Security Code**"); (c) the Occupational Safety, Health and Working Conditions Code, 2020; and (d) the Industrial Relations Code, 2020 which consolidate, subsume and replace numerous existing central labour legislations. While the rules for implementation under these codes have not been notified, we are yet to determine the impact of all or some such laws on our business and operations which may restrict our ability to grow our business in the future and increase our expenses.

Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future.

24. Changes in the taxation system in India could adversely affect our business.

Our business, financial condition and results of operations could be adversely affected by any change in the extensive central and state tax regime in India applicable to us and our business. Tax and other levies imposed by the central and state governments in India that affect our tax liability, include central and state taxes and other levies, income tax, turnover tax, goods and service tax, stamp duty and other special taxes and surcharges, which are introduced on a temporary or permanent basis from time to time. This extensive central and state tax regime is subject to change from time to time. The final determination of our tax liability involves the interpretation of local tax laws and related regulations in each jurisdiction, as well as the significant use of estimates and assumptions regarding the scope of future operations and results achieved and the timing and nature of income earned and expenditures incurred.

For instance, the Government of India has implemented two major reforms in Indian tax laws, namely the GST, and provisions relating to general anti-avoidance rules ("**GAAR**"). The indirect tax regime in India has undergone a complete overhaul. The indirect taxes on goods and services, such as central excise duty, service tax, central sales tax, state value added tax, surcharge and excise have been replaced by Goods and Service Tax with effect from July 1, 2017. The GST regime is relatively new and therefore is subject to amendments and its interpretation by the relevant regulatory authorities. GAAR became effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement may result in, among others, a denial of tax benefit to us and our business. In the absence of any precedents on the subject, the application of these provisions is subjective. If the GAAR provisions are made applicable to us, it may have an adverse tax impact on us. Further, if the tax costs associated with certain of our transactions are greater than anticipated because of a particular tax risk materializing on account of new tax regulations and policies, it could affect our profitability from such transactions.

Our companies operating in India may choose not to claim any of the specified deductions or exemptions and claim the lower corporate tax, in which case, the minimum alternate tax provisions would not be applicable. Alternatively, we may choose to pay the higher of corporate tax; i.e., 30% or 25%, as the case may be, plus applicable surcharge and cess, after claiming the applicable deductions and exemptions or the minimum alternate tax at the rate of 15% plus applicable surcharge and cess. As such, there is no certainty on the impact that these amendments may have on our business and operations or on the industry in which we operate.

Further, the Finance Act, 2020, has, amongst others things, notified changes and provided a number of amendments to the direct and indirect tax regime, including, without limitation, a simplified alternate direct tax regime and that dividend distribution tax , will not be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident and are subject to tax deduction at source. The Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source from such dividend. Investors should consult their own tax advisors about the consequences of investing or trading in the Equity Shares.

In the same Finance Act, 2020, a new provision was introduced to put an obligation on every e-commerce company to deduct tax at source on all supplies through the platform, irrespective of consideration received or otherwise, based on the tax rate determined based on the validation of PAN details of the platforms' suppliers. These provisions were made effective from October 1, 2020 and create an additional compliance burden on the Company. Any failure in such deduction could lead to costs being incurred to correct the tax defect or noncompliance.

With several proposals to introduce further regulatory compliances, additional conditions to be met to receive benefits under existing regimes being introduced, upon any such proposals being notified, we may also become subject to *inter alia* additional compliances and increased associated costs. For instance, under the Finance Act, 2021, with effect from July 1, 2021, higher TDS rates may become applicable in the event of failure of certain compliances, including of linking Aadhar with permanent account numbers, or other conditions being proposed including to display QR codes on B2C transactions which could pose operational and implementation challenges given the large number of orders in invoices.

25. Political, macroeconomic, demographic and other changes could adversely affect economic conditions in India.

Our Company is incorporated in India and derives the majority of its revenue from operations in India and the majority of its assets are located in India. Consequently, our performance and the market price of the Equity Shares may be affected by interest rates, government policies, taxation, and other social, political and economic developments affecting India. The Indian economy differs from the economies of most developed countries in many respects, including the degree of government involvement, level of development, growth rate, control of foreign exchange and allocation of resources. While the Indian economy has experienced significant growth over the past decades, growth has been uneven, both geographically and among various sectors of the economy. The Indian government has implemented various measures to encourage economic growth and guide the allocation of resources. Some of these measures may benefit the overall Indian economy, but may have a negative effect on us.

Our business results depend on a number of general macroeconomic and demographic factors in India which are beyond our control. In particular, our revenue and profitability are strongly correlated to consumer discretionary spending, which is influenced by general economic conditions, unemployment levels, the availability of discretionary income and consumer confidence. Recessionary economic cycles, a protracted economic slowdown, a worsening economy, increased unemployment, rising interest rates or other industry-wide cost pressures could also affect consumer behavior and lead to a decline in our sales and earnings.

Factors that may adversely affect the Indian economy, and hence our results of operations and cash flows, may include:

- the macroeconomic climate, including any increase in Indian interest rates or inflation;
- any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;
- any scarcity of credit or other financing in India, resulting in an adverse effect on economic conditions in India and scarcity of financing for our expansions;
- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighboring countries;
- occurrence of natural or man-made disasters;
- prevailing regional or global economic conditions, including in India's principal export markets;
- other significant regulatory or economic developments in or affecting India or its consumption sector;
- international business practices that may conflict with other customs or legal requirements to which we are subject, including anti-bribery and anti-corruption laws;
- protectionist and other adverse public policies, including local content requirements, import/export tariffs, increased regulations or capital investment requirements;
- Inflation rates; and
- being subject to the jurisdiction of foreign courts, including uncertainty of judicial processes and difficulty enforcing contractual agreements or judgments in foreign legal systems or incurring additional costs to do so.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely affect our business, results of operations, cash flows and financial condition and the price of the Equity Shares.

26. Natural calamities could have a negative effect on the Indian economy and cause our business to suffer.

India has experienced natural calamities such as earthquakes, tsunami, floods, hurricanes and drought in the past few years. The extent and severity of these natural disasters determines their effect on the Indian economy. Further prolonged spells of below normal rainfall or other natural calamities in the future could have a negative effect on the Indian economy, adversely affecting our business and the price of our Equity Shares.

27. ***Civil disturbances, regional conflicts and other acts of violence in India and abroad may disrupt or otherwise adversely affect the Indian economy.***

Certain events that are beyond the control of our Company, such as violence or war, including those involving India, the United Kingdom, the United States or other countries, may adversely affect worldwide financial markets and could potentially lead to a severe economic recession, which could adversely affect our business, results of operations, financial condition and cash flows, and more generally, any of these events could lower confidence in India's economy. Southern Asia has, from time to time, experienced instances of civil unrest and political tensions and hostilities among neighboring countries. Political tensions could create a perception that there is a risk of disruption of services provided by India-based companies, which could have an adverse effect on our business, future financial performance and price of the Equity Shares. Furthermore, if India were to become engaged in armed hostilities, particularly hostilities that are protracted or involve the threat or use of nuclear weapons, the Indian economy and consequently Company's operations might be significantly affected. India has from time to time experienced social and civil unrest and hostilities, including riots, regional conflicts and other acts of violence. Events of this nature in the future could have an adverse effect on our ability to develop our business. As a result, our business, results of operations and financial condition may be adversely affected.

28. ***Financial instability in other countries may cause increased volatility in Indian financial markets.***

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, including conditions in the United States, Europe and certain emerging economies in Asia. Financial turmoil in Asia, Russia and elsewhere in the world in recent years has adversely affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and us.

Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby negatively affect the Indian economy. Financial disruptions could materially and adversely affect our business, prospects, financial condition, results of operations and cash flows.

Furthermore, economic developments globally can have a significant impact on India. Concerns related to a trade war between large economies may lead to increased risk aversion and volatility in global capital markets and consequently have an impact on the Indian economy. Following the United Kingdom's exit from the European Union ("**Brexit**"), there remains significant uncertainty around the terms of their future relationship with the European Union and, more generally, as to the impact of Brexit on the general economic conditions in the United Kingdom and the European Union and any consequential impact on global financial markets. For example, Brexit could give rise to increased volatility in foreign exchange rate movements and the value of equity and debt investments.

In addition, China is one of India's major trading partners and there are rising concerns of a possible slowdown in the Chinese economy as well as a strained relationship with India, which could have an adverse impact on the trade relations between the two countries. The sovereign rating downgrades for Brazil and Russia (and the imposition of sanctions on Russia) have also added to the growth risks for these markets. These factors may also result in a slowdown in India's export growth. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term effect of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. Any significant financial disruption could have a material adverse effect on our business, financial condition, cash flows and results of operation.

These developments, or the perception that any of them could occur, have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity, restrict the ability of key market participants to operate in certain financial markets or restrict our access to capital. This could have a material adverse effect on our business, financial condition, cash flows and results of operations and reduce the price of the Equity Shares.

29. ***Natural disasters, fires, epidemics, pandemics, acts of war, civil unrest and other events could materially and adversely affect our business.***

Natural disasters (such as typhoons, flooding and earthquakes), epidemics, pandemics such as COVID-19, acts of war, terrorist attacks and other events, many of which are beyond our control, may lead to economic instability, including in India or globally, which may in turn materially and adversely affect our business, financial condition, cash flows and results of operations. Our operations may be adversely affected by fires, natural disasters and/or severe weather, which can result in damage to our technological infrastructure and generally reduce our productivity and may require us to evacuate personnel and suspend operations. Any terrorist attacks or civil unrest as well as other adverse social, economic and political events in India could have a negative effect on us. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the price of the Equity Shares.

A number of countries in Asia, including India, as well as countries in other parts of the world, are susceptible to contagious diseases and, for example, have had confirmed cases of diseases such as the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine and more recently, the COVID-19 virus. Certain countries in Southeast Asia have reported cases of bird-to-human transmission of avian and swine influenza, resulting in numerous human deaths. A worsening of the current outbreak of COVID-19 virus or future outbreaks of COVID-19 virus, avian or swine influenza or a similar contagious disease could adversely affect the Indian economy and economic activity in the region and in turn have a material adverse effect on our business and the trading price of the Equity Shares.

30. ***Rights of shareholders under Indian laws may be more limited than under the laws of other jurisdictions.***

Our Articles of Association, composition of our Board, Indian laws governing our corporate affairs, the validity of corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

31. ***Investors may not be able to enforce a judgment of a foreign court against us.***

Our Company is a company incorporated under the laws of India. A majority of our Company's Directors and officers are residents of India and a substantial portion of our assets and such persons are located in India. As a result, it may not be possible for investors to effect service of process upon our Company or such persons in jurisdictions outside India, or to enforce judgments obtained against such parties outside India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court was of the view that the amount of damages awarded was excessive or inconsistent with public policy, or if judgments are in breach or contrary to Indian law. In addition, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to execute such a judgment or to repatriate outside India any amounts recovered.

Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908 ("**CPC**"). India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, such as the United Kingdom, Singapore and Hong Kong. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements established in the Indian Code of Civil Procedure, 1908. The CPC only permits the enforcement and execution of monetary decrees in the reciprocating jurisdiction, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India, including the United States, cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be directly enforceable in India. The party in whose favor a final foreign judgment in a non-reciprocating territory is rendered may bring a fresh suit in a competent court in India based on the final judgment within three years of obtaining such final judgment. However, it is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India or that an Indian court would enforce foreign judgments if it viewed the amount of damages as excessive or inconsistent with the public policy in India.

32. Our Equity Shares have never been publicly traded, and after the listing, the Equity Shares may experience price and volume fluctuations, and an active trading market for the Equity Shares may not develop. Further, the price of our Equity Shares may be volatile, and you may be unable to sell your Equity Shares at all.

Prior to the listing, there has been no public market for our Equity Shares, and an active trading market on the Indian Stock Exchanges may not develop or be sustained after the listing. Listing and trading does not guarantee that a market for our Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The market price and liquidity for the Equity Shares post listing may be subject to significant fluctuations and may also decline below the listing price in response to, among other factors:

- volatility in the Indian and other global securities markets;
- problems such as temporary closure, broker default and settlement delays experienced by the Indian Stock Exchanges;
- the performance and volatility of the Indian and global economy;
- financial instability in emerging markets that may lead to loss of investor confidence;
- risks relating to our business and industry, including those discussed in this Information Memorandum;
- strategic actions by us or our competitors;
- investor perception of the investment opportunity associated with our Equity Shares and our future performance;
- adverse media reports about us, our Shareholders, Associate Company or our Group Company;
- future sales of our Equity Shares;
- variations in our quarterly results of operations;
- differences between our actual financial and operating results and those expected by investors and analysts;
- our future expansion plans;
- perceptions about our future performance or the performance of the health and safety solutions industry generally;
- changes in the estimates of our performance or recommendations by financial analysts;
- significant developments in India's economic liberalisation and deregulation policies; and
- significant developments in India's fiscal and environmental regulations.

There has been significant volatility in the Indian stock markets in the recent past, and our Equity Share price could fluctuate significantly as a result of market volatility. A decrease in the market price of our Equity Shares could cause you to lose some or all of your investment. There can be no assurances that the shareholders will be able to sell their Equity Shares at all.

33. Any future issuance of Equity Shares may dilute your shareholdings, and sales of our Equity Shares by our Promoter or other major shareholders may adversely affect the trading price of the Equity Shares.

There is a risk that we may be required to finance our growth or strengthen our balance sheet through additional equity offerings. Any future equity issuances by us, may lead to the dilution of investors' shareholdings in our Company. We cannot predict what effect the future issue of equity shares by our Company and / or sale of our Equity Shares by our Promoter or majority shareholders will have on the market price of our Equity Shares.

34. Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI or in the alternate, the pricing is in compliance with the extant provisions of the SEBI ICDR Regulations. If the transfer of shares is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection or a tax clearance certificate from the income tax authority. Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, investments where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in the Consolidated FDI Policy. These investment restrictions shall also apply to subscribers of offshore derivative instruments. We cannot assure investors that any required approval from the RBI or any other Government agency can be obtained on any particular terms or at all.

SUMMARY OF FINANCIAL INFORMATION

The following summary of financial and operating information is derived from the financial statements of the Company as of and for the period ended November 30, 2021, March 31, 2021, March 31, 2020 and March 31, 2019, as described in the Auditors Report of Batliboi & Purohit, Chartered Accountants in the section titled “Financial Statements” on page 88 of this Information Memorandum

(₹ in lakhs)

Particulars	Period ended November 30, 2021*	Year ended March 31, 2021*	Year ended March 31, 2020*	Year ended March 31, 2019*
Share Capital	482.73	482.73	482.73	282.73
Net Worth	(184.02)	13.86	175.27	65.25
Revenue from operations	640.78	784.63	1,634.15	2,592.51
Other income	1.32	4.81	4.97	9.22
Profit/ (Loss) after tax and after share of associate (net of tax)	(200.18)	(163.05)	(89.25)	(69.54)
Profit/ (Loss) after tax and after share of joint ventures (net of tax)	(200.18)	(163.05)	(89.25)	(69.54)
Earnings per share (in ₹)	(4.15)	(3.38)	(2.22)	(2.46)
Total borrowings **	150.00	150.00	150.00	448.24

* The Appointed Date for the Scheme is February 01, 2022 and therefore the above financial summary do not contain the impact upon effectiveness of the Scheme

** Does not include lease liabilities

GENERAL INFORMATION

Our Company was incorporated as Forbes Water Limited on November 26, 2008 under the Companies Act, 1956 with the Registrar of Companies, Mumbai and the name was changed to Forbes Enviro Solutions Limited vide Certificate of Incorporation dated January 12, 2010 issued by the aforesaid Registrar of Companies. Subsequently, the name of the Company was changed to Eureka Forbes Limited pursuant to Scheme of Arrangement and the fresh Certificate of Incorporation was issued by the Registrar of Companies, Mumbai Maharashtra on February 11, 2022. The Corporate Identity Number of our Company is U27310MH2008PLC188478.

Registered & Corporate Office
B1/B2, 7th Floor, 701, Marathon Innova
Off Ganpatrao Kadam Marg, Lower Parel
Mumbai - 400013, Maharashtra, India
Tel.: +91 22 4882 1700, Fax : +91 22 48821701
E-mail: compliance@eurekaforbes.com

Manufacturing facilities

Dehradun Factory
Khasra No. 3946,3961-62,
Lal Tappar Industrial Area, Majri Grant,
Dehradun - 248 140
Uttarakhand

Bangalore Factory
No. 143, C-4, Bommasandra Industrial Area,
Off Hosur Road, Bangalore - 560 099
Karnataka

Registrar of Companies
Registrar of Companies, Mumbai
Everest 5th Floor, 100 Marine Drive,
Mumbai - 400 002, Maharashtra
Tel.: +91 22 2281 7259, 2281 1493

Board of Directors of our Company

Sr. No.	Name	Age (in years)	DIN	Status
1.	Homi Adi Katgara	58	00210338	Chairman & Independent Director
2.	Marzin Roomi Shroff	56	00642613	Managing Director and CEO
3.	Shapoorji Pallonji Mistry	57	00010114	Non-Executive Non-Independent Director
4.	Pallon Shapoorji Mistry	30	05229734	Non-Executive Non-Independent Director
5.	Jai Laxmikant Mavani	50	05260191	Non-Executive Non-Independent Director
6.	Shankar Krishnan Subramanian	52	03316009	Non-Executive Non-Independent Director
7.	Indu Ranjit Shahani	70	00112289	Non-Executive Independent Director
8.	Anil Vasudev Kamath	71	00015706	Non-Executive Independent Director
9.	Sivanandhan Dhanushkodi	71	03607203	Non-Executive Independent Director

For details of our Directors, refer to section titled "Our Management" on page 66 of the Information Memorandum.

Company Secretary & Compliance Officer	Chief Financial Officer
Mr. Dattaram P Shinde Company Secretary, Head - Legal & Compliance Officer	Mr. Rajagopalan Sambamoorthy Chief Financial Officer Tel.: +91 22 4882 1700

Tel.: +91 22 4882 1700 Email: dshinde@eurekaforbes.co.in	Email: rsm@eurekaforbes.com

Registrar and Share Transfer Agent
Link Intime India Private Limited
C 101, 247 Park, L.B.S. Marg,
Vikhroli (West), Mumbai - 400 083
Contact Person: Mr. Raju Mahajan
Phone: +91 22 4918 6260
Email Id: raju.mahajan@linkintime.co.in
Website: www.linkintime.co.in

Bankers to our Company
Axis Bank Limited
Axis House, Wadia International Centre
Pandurang Budhkar Marg, Worli
Mumbai - 400 025
Contact Person: Firdos Doctor
E-mail id: Firdos.Doctor@axisbank.com

ICICI Bank Limited
4th Floor, ICICI Bank Towers (North)
Bandra Kurla Complex, Bandra (East)
Mumbai - 400 051
Contact Person: Kaustav Bandyopadhyay
E-mail id: kaustav.bandyopadhyay@icicibank.com

Kotak Mahindra Bank Limited
27 BKC, 2nd Floor, Plot No C-27 ,G Block
Bandra Kurla Complex, Bandra (East)
Mumbai - 400 051
Contact Person: Prachi Kothari
E-mail id: prachi.kothari1@kotak.com

Auditors of our Company
M/s Batliboi & Purohit
National Insurance Building, 2nd Floor,
204, Dadabhai Naoraji Road, Fort
Mumbai, Maharashtra - 400 001
Phone: +91 22 2207 7942
E-Mail Id: auditteam@bnpindia.in
Peer Review Cert. No.: FRN/Mem No. 101048W

Authority of Listing

The National Company Law Tribunal, Mumbai bench, vide Order dated January 25, 2022 (certified true copy received by the Company on January 31, 2022) approved the Scheme of Arrangement between **Aquaignis Technologies Private Limited** ("Transferor Company 1" for Part II of the Scheme), **Euro Forbes Financial Services Limited** ("Transferor Company 2" for Part II of the Scheme), **Eureka Forbes Limited** ("Transferee Company 1" for Part II of the Scheme or "Transferor Company 3" for Part III of the Scheme), **Forbes & Company Limited** ("Transferee Company 2" for Part III of the Scheme or "Demerged Company" for Part IV of the Scheme) and **Forbes Enviro Solutions Limited** ("Resulting Company" for Part IV of the Scheme) and their respective Shareholders and Creditors . For more details relating to the Scheme of Arrangement, please refer to the Section titled "Scheme of Arrangement" on page 39 of this Information Memorandum. In accordance with the said Scheme, the equity shares of our Company issued and allotted pursuant to the Scheme shall be listed and admitted to trading on the BSE. Such listing and admission for trading is not automatic and is subject to fulfillment by the Company of criteria of BSE and also subject to such other terms and conditions as may be prescribed by BSE at the time of application by our Company seeking listing. Our Company has received no objection from BSE on the Scheme of Arrangement under Regulation 37 of the SEBI LODR Regulations vide their letter no DCS/AMAL/JR/R37/1875/2020-21 dated January 12, 2021 and DCS/AMAL/JR/R37/2150/2020-

21 dated November 23, 2021. The Company has received approval for listing of its Equity Shares on BSE vide their letter no. DCS/AMAL/TL/IP/2244/2021-22 dated March 02, 2022. Further, the Company has also received a letter bearing no. SEBI/HO/CFD/DIL2/AN/OW/2022/8961 dated March 02, 2022 from the SEBI in relation to relaxation from applicability of Rule 19(2)(b) of the SCRR for listing of the Equity Shares of Eureka Forbes Limited on stock exchange.

Eligibility Criterion

There being no Initial public offering or rights issue, the eligibility criteria in terms of Chapter II of SEBI ICDR Regulations do not become applicable. However, SEBI vide its master circular SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021, as amended from time to time, has subject to certain conditions, permitted unlisted issuer companies to make an application for relaxing from the strict enforcement of Rule 19(2)(b) of SCRR, as amended. Our Company has submitted its Information Memorandum, containing information about itself, making disclosure in line with the disclosure requirement applicable to public issues as, applicable, to BSE for making the said Information Memorandum available to public through their website viz. www.bseindia.com. Our Company has also made the said Information Memorandum available on its website www.eurekaforbes.com. Our Company shall publish an advertisement in the newspapers containing its details in line with the details required as per the above-mentioned circular. The advertisement draws specific reference to the availability of this Information Memorandum on its website.

Prohibition by SEBI

The Company, its Directors, its Promoters, other companies promoted by the promoter and companies with which the Company's Directors are associated as director's have not been prohibited from accessing the capital market under any order or direction passed by SEBI.

General Disclaimer from the Company

The Company accepts no responsibility for statements made otherwise than in the Information Memorandum or in the advertisements published in terms of SEBI master circular SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021, as amended from time to time, or any other material issued by or at the instance of the Company and anyone placing reliance on any other source of information would be doing so at his or her own risk. All information shall be made available by the Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner.

CAPITAL STRUCTURE

The Capital Structure of our Company - Pre-Scheme of Arrangement:

Particulars	Aggregate Nominal Value (₹)
Authorized Share Capital 50,00,000 Equity Shares of face value of ₹ 10 each	5,00,00,000
Issued, Subscribed and paid-up share capital 48,27,263 Equity Shares of face value of ₹ 10 each	4,82,72,630

The Capital Structure of our Company- Post-Scheme of Arrangement:

Particulars	Aggregate Nominal Value (₹)
Authorized Share Capital 20,00,00,000 Equity Shares of face value of ₹ 10 each	200,00,00,000
Issued, Subscribed and paid-up share capital 19,34,79,240 Equity Shares of face value of ₹ 10 each	1,93,47,92,400

Notes to the Capital Structure:

1. Changes in Authorised Share Capital

The details of changes in authorised share capital of our Company since Incorporation are as follows:

(in ₹ except share data)

Date	Particulars	Cumulative No. of Equity Shares	Face Value (₹)	Authorised Share Capital (in ₹)
November 26, 2008	On incorporation	50,000	10	5,00,000
March 04, 2016	Through Shareholder's resolution	50,00,000	10	5,00,00,000
January 17, 2022	Through Shareholder's resolution	20,00,00,000	10	200,00,00,000

2. Equity Share Capital History

(in ₹, except share data)

Date of Allotment	No. of Equity Shares	Cumulative No. of Equity Shares	Face Value (in ₹)	Issue Price (in ₹)	Cumulative Paid-up Capital (in ₹)	Nature of consideration	Category of Allottees
On Incorporation	50,000	50,000	10	10	5,00,000	Cash	Subscribers to MOA
February 19, 2016	27,77,263	28,27,263	10	-	2,82,72,630	-	Allotted pursuant to Merger of Radiant Energy Systems Private Limited and Waterwings Equipments Private Limited
August 28, 2019	20,00,000	48,27,263	10	10	4,82,72,630	Cash	Rights Issue
February 01, 2022	(48,27,263)	-	10	10	-	Reduction of capital	Pursuant to effectiveness of Composite Scheme of Arrangement*
February 14, 2022	19,34,79,240	19,34,79,240	10	-	1,93,47,92,400	NA	

* Equity shares have been allotted in terms of the Scheme sanctioned by National Company Law Tribunal under Sections 230-232 of the Companies Act, 2013. Details of the Scheme have been provided at page 39 of the Information Memorandum. Further, dispatch of share certificates to 38 shareholders who hold 88,125 Equity shares of the Company in physical mode, has been kept on hold as their respective matters are sub-judice.

3. Shareholding Pattern of our Company before and after the Scheme of Arrangement:

The table below presents our shareholding pattern before the Scheme becoming effective

Table I: Summary statement holding of specified securities

Cate-gory	Category of shareholders	No. of share-holders	No. of fully paid-up Equity Shares held	No. of partly paid-up Equity Shares held	No. of shares underlying Depository Receipts	Total no. of shares held	Share-holding as a %age of total no. of shares (calculated as per SCRR, 1957)	No. of voting rights held in each class of securities				No. of shares underlying outstanding convertible securities (including warrants)	Shareholding as % assuming full conversion of convertible securities (as a % of diluted share capital)	No. of locked in shares		No. of shares pledged		No. of Equity Shares held in demateri alised form
							(as a % of (A+B+C)	No. of voting rights			Total as % of (A+B+C)			No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = IV + V + VI	(VIII)	Class X	Class Y	Total	(IX)	(X)	(XI) = (VII) + (X) as a % of (A+B+C)	(XII)		(XIII)		(XIV)
(A)	Promoter & Promoter Group*	7	48,27,263	-	-	48,27,263	100.00	48,27,263	-	48,27,263	100.00	-	-	-	-	-	-	-
(B)	Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C)	Non promoter non public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Employee trust	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**7**	**48,27,263**	**-**	**-**	**48,27,263**	**100.00**	**48,27,263**	**-**	**48,27,263**	**100.00**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Table II: Statement showing shareholding pattern of the Promoter and Promoter Group

Cate-gory	Category of share-holders	No. of share-holders	No. of fully paid-up Equity Shares held	No. of partly paid-up Equity Shares held	No. of shares underlying Depository Receipts	Total no. of shares held	Share-holding as a %age of total no. of shares (calculated as per SCRR, 1957)	No. of voting rights held in each class of securities				No. of shares underlying outstanding convertible securities (including warrants)	Shareholding as % assuming full conversion of convertible securities (as a % of diluted share capital)	No. of locked in shares		No. of shares pledged		No. of Equity Shares held in dematerialised form
							(as a % of (A+B+C)	No. of voting rights			Total as % of (A+B+C)			No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = IV + V + VI	(VIII)	Class X	Class Y	Total	(IX)	(X)	(XI) = (VII) + (X) as a % of (A+B+C)	(XII)		(XIII)		(XIV)
A(1)	**Indian**																	
(a)	**Individuals / HUF**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	**Central Govt / State Govt**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	**Financial Institutions / Banks**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	**Any other - Bodies Corporate**	7	48,27,263	-	-	48,27,263	100.00	48,27,263	-	48,27,263	100.00	-	-	-	-	-	-	-
	Erstwhile Eureka Forbes Limited	1	48,27,257	-	-	48,27,257	100.00	48,27,257	-	48,27,257	100.00	-	-	-	-	-	-	-
	Erstwhile Eureka Forbes Limited jointly with Marzin R Shroff *	1	1	-	-	1	0.00	1	-	1	0.00	-	-	-	-	-	-	-
	Erstwhile Forbes & Company Limited jointly with Rajagopalan Sambamoorthy *	1	1	-	-	1	0.00	1	-	1	0.00	-	-	-	-	-	-	-
	Erstwhile Eureka Forbes Limited jointly with Aslam Karmali *	1	1	-	-	1	0.00	1	-	1	0.00	-	-	-	-	-	-	-
	Erstwhile Eureka Forbes Limited jointly with Kavita Gandhi *	1	1	-	-	1	0.00	1	-	1	0.00	-	-	-	-	-	-	-
	Erstwhile Eureka Forbes Limited jointly with Shashank Sinha *	1	1	-	-	1	0.00	1	-	1	0.00	-	-	-	-	-	-	-
	Erstwhile Eureka Forbes Limited jointly with Dattaram P Shinde *	1	1	-	-	1	0.00	1	-	1	0.00	-	-	-	-	-	-	-
	Sub-total A(1)	**7**	**48,27,263**	**-**	**-**	**48,27,263**	**100.00**	**48,27,263**	**-**	**48,27,263**	**100.00**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
A(2)	**Foreign**																	
(a)	Individuals (Non resident Individuals / Foreign Individuals)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	**Foreign Portfolio Investors**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	**Any others (Foreign Bodies Corporate)**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub-total A(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total shareholding of Promoter & Promoter Group (A) = (A)(1) + (A)(2)	**7**	**48,27,263**	**-**	**-**	**48,27,263**	**100.00**	**48,27,263**	**-**	**48,27,263**	**100.00**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

* Corporate Nominees of Erstwhile Eureka Forbes Limited.

Table III: Statement showing shareholding pattern of public shareholder

Category	Category of share-holders	No. of share-holders	No. of fully paid-up Equity Shares held	No. of partly paid-up Equity Shares held	No. of shares underlying Depository Receipts	Total no. of shares held	Share-holding as a %age of total no. of shares (calculated as per SCRR, 1957)	No. of voting rights held in each class of securities				No. of shares underlying outstanding convertible securities (including warrants)	Shareholding as % assuming full conversion of convertible securities (as a % of diluted share capital)	No. of locked in shares		No. of shares pledged		No. of Equity Shares held in dematerialised form
							(as a % of (A+B+C)	No. of voting rights			Total as % of (A+B+C)			No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	
								Class X	Class Y	Total								
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = IV + V + VI	(VIII)				(IX)	(X)	(XI) = (VII) + (X) as a % of (A+B+C)	(XII)		(XIII)		(XIV)
1	**Institutions**																	
(a)	Mutual Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Venture Capital Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Alternative Investment Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Foreign venture capital investor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
€	Foreign portfolio investor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(f)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(g)	Insurance Companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(h)	Provident funds / pension funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(i)	Any other (Foreign Institutional Investors)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub Total (B)(1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Central government / state government / President of India	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub Total (B)(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	**Non Institutions**															-	-	
(a)	Individual shareholders holding nominal share capital upto ₹ 2.00 lac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Individual shareholders holding nominal share capital in excess of ₹ 2.00 lac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	NBFC registered with RBI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C)	Employees Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Overseas Depositories (holding DR) balancing figure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
€	Any other															-	-	
	Sub Total (B)(3)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total public shareholding (B) = (B)(1)+(B)(2)+(B)(3)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Table IV: Statement showing shareholding pattern of Non promoter Non public shareholder

Category	**Category of share-holders**	**No. of share-holders**	**No. of fully paid-up Equity Shares held**	**No. of partly paid-up Equity Shares held**	**No. of shares underlying Depository Receipts**	**Total no. of shares held**	**Share-holding as a %age of total no. of shares (calculated as per SCRR, 1957)**	**No. of voting rights held in each class of securities**				**No. of shares underlying outstanding convertible securities (including warrants)**	**Shareholding as % assuming full conversion of convertible securities (as a % of diluted share capital)**	**No. of locked in shares**		**No. of shares pledged**		**No. of Equity Shares held in dematerialised form**
							(as a % of (A+B+C)	**No. of voting rights**			**Total as % of (A+B+C)**			**No. (a)**	**As a % of total shares held (b)**	**No. (a)**	**As a % of total shares held (b)**	
								Class X	**Class Y**	**Total**								
(I)	**(II)**	**(III)**	**(IV)**	**(V)**	**(VI)**	**(VII) = IV + V + VI**	**(VIII)**				**(IX)**	**(X)**	**(XI) = (VII) + (X) as a % of (A+B+C)**	**(XII)**		**(XIII)**		**(XIV)**
1	Custodian / DR Holder																	
2	Employees benefit trust (under SEBI (Share based employee benefit) Regulations, 2014	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	**Total non promoter non public shareholding (C) = (C)(1) + (C)(2)**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

The tables below presents our shareholding pattern after allotment and capital restructuring pursuant to the Scheme

Table I: Summary statement holding of specified securities

Category	Category of shareholder	Nos. of shareholders	No. of fully paid-up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
								No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)	
								Class eg: X	Class eg: y	Total								
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+ (VI)	(VIII) As a % of (A+B+C2)	(IX)				(X)	(XI)= (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)
(A)	Promoter & Promoter Group	2	142885365	0	0	142885365	73.85	142885365	0	142885365	73.85	0	73.85	0	0.0000	140389395	98.25	142885365
(B)	Public	12221	50593875	0	0	50593875	26.15	50593875	0	50593875	26.15	0	26.15	0	0.0000	NA	NA	46442400
(C)	Non Promoter - Non Public				0				0			0			0.0000	NA	NA	
(C1)	Shares Underlying DRs	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.0000	NA	NA	0
(C2)	Shares Held By Employee Trust	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.0000	NA	NA	0
	Total	**12223**	**193479240**	**0**	**0**	**193479240**	**100.00**	**193479240**	**0**	**193479240**	**100.00**	**0**	**100.00**	**0**	**0.0000**	**140389395**	**72.56**	**189327765**

Table II: Statement showing shareholding pattern of the Promoter and Promoter Group *

S. No.	Category & Name of the shareholders	Entity Type	Nos. of shareholders	No. of fully paid-up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
									No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held(b)	
									Class eg: X	Class eg: y	Total								
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+ (VI)	(VIII) As a % of (A+B+C2)	(IX)				(X)	(XI)= (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)
1	Indian																		
(a)	Individuals / Hindu Undivided Family		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(b)	Central Government / State Government(s)		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(c)	Financial Institutions / Banks		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(d)	Any Other (Specify)		2	142885365	0	0	142885365	73.85	142885365	0	142885365	73.85	0	73.85	0	0.00	140389395	98.25	142885365
	Bodies Corporate		2	142885365	0	0	142885365	73.85	142885365	0	142885365	73.85	0	73.85	0	0.00	140389395	98.25	142885365
	Shapoorji Pallonji And Company Private Limited	Promoter Group Entity	1	140389395	0	0	140389395	72.56	140389395	0	140389395	72.56	0	72.56	0	0.00	140389395	100.00	140389395
	Forbes Campbell Finance Limited	Promoter Group Entity	1	2495970	0	0	2495970	1.29	2495970	0	2495970	1.29	0	1.29	0	0.00	0	0.00	2495970
	Sub Total (A)(1)		2	142885365	0	0	142885365	73.85	142885365	0	142885365	73.85	0	73.85	0	0.00	140389395	98.25	142885365
2	Foreign																		

(a)	Individuals (Non-Resident Individuals / Foreign Individuals)		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(b)	Government		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(c)	Institutions		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(d)	Foreign Portfolio Investor		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(e)	Any Other (Specify)		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
	Sub Total (A)(2)		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
	Total Shareholding Of Promoter And Promoter Group (A)= (A)(1)+(A)(2)		**2**	**142885365**	**0**	**0**	**142885365**	**73.85**	**142885365**	**0**	**142885365**	**73.85**	**0**	**73.85**	**0**	**0.00**	**140389395**	**98.25**	**142885365**

Table III: Statement showing shareholding pattern of public shareholder

S. No.	Category & Name of the shareholders	Nos. of shareholders	No. of fully paid-up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
								No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)	
								Class eg: X	Class eg: y	Total								
	(I)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+(VI)	(VIII) As a % of (A+B+C2)	(IX)				(X)	(XI)= (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)
1	Institutions																	
(a)	Mutual Fund	3	1030140	0	0	1030140	0.53	1030140	0	1030140	0.53	0	0.53	0	0.00	NA	NA	1030140
(b)	Venture Capital Funds	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
(c)	Alternate Investment Funds	2	29145	0	0	29145	0.02	29145	0	29145	0.02	0	0.02	0	0.00	NA	NA	29145
(d)	Foreign Venture Capital Investors	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
(e)	Foreign Portfolio Investor	11	22331340	0	0	22331340	11.54	22331340	0	22331340	11.54	0	11.54	0	0.00	NA	NA	22331340
	India Discovery Fund Limited	1	17223825	0	0	17223825	8.90	17223825	0	17223825	8.90	0	8.90	0	0.00	NA	NA	17223825
	Antara India Evergreen Fund Ltd	1	4993365	0	0	4993365	2.58	4993365	0	4993365	2.58	0	2.58	0	0.00	NA	NA	4993365
(f)	Financial Institutions / Banks	10	192900	0	0	192900	0.10	192900	0	192900	0.10	0	0.10	0	0.00	NA	NA	176355
(g)	Insurance Companies	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
(h)	Provident Funds/ Pension Funds	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
(i)	Any Other (Specify)	3	1950	0	0	1950	0.00	1950	0	1950	0.00	0	0.00	0	0.00	NA	NA	0
	Foreign Bank	3	1950	0	0	1950	0.00	1950	0	1950	0.00	0	0.00	0	0.00	NA	NA	0
	Sub Total (B)(1)	29	23585475	0	0	23585475	12.19	23585475	0	23585475	12.19	0	12.19	0	0.00	NA	NA	23566980
2	Central Government/ State Government(s)/ President of India																	

	Central Government / State Government(s)	2	1655145	0	0	1655145	0.86	1655145	0	1655145	0.86	0	0.86	0	0.00	NA	NA	455445
	Sub Total (B)(2)	2	1655145	0	0	1655145	0.86	1655145	0	1655145	0.86	0	0.86	0	0.00	NA	NA	455445
3	Non-Institutions																	
(a)	Individuals		0	0										0		NA	NA	
	i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs.	11302	11813835	0	0	11813835	6.11	11813835	0	11813835	6.11	0	6.11	0	0.00	NA	NA	9229200
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.	81	6543015	0	0	6543015	3.38	6543015	0	6543015	3.38	0	3.38	0	0.00	NA	NA	6284415
(b)	NBFCs registered with RBI	1	3375	0	0	3375	0.00	3375	0	3375	0.00	0	0.00	0	0.00	NA	NA	3375
	Trust Employee	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
(d)	Overseas Depositories(holding DRs) (balancing figure)	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
(c)	Any Other (Specify)	806	6993030	0	0	6993030	3.61	6993030	0	6993030	3.61	0	3.61	0	0.00	NA	NA	6902985
	IEPF	1	2453925	0	0	2453925	1.27	2453925	0	2453925	1.27	0	1.27	0	0.00	NA	NA	2453925
	Investor Education And Protection Fund Authority Ministry Of Corporate Affairs	1	2453925	0	0	2453925	1.27	2453925	0	2453925	1.27	0	1.27	0	0.00	NA	NA	2453925
	Trusts	5	17505	0	0	17505	0.01	17505	0	17505	0.01	0	0.01	0	0.00	NA	NA	17505
	Foreign Nationals	1	11550	0	0	11550	0.01	11550	0	11550	0.01	0	0.01	0	0.00	NA	NA	11550
	Hindu Undivided Family	387	1341240	0	0	1341240	0.69	1341240	0	1341240	0.69	0	0.69	0	0.00	NA	NA	1341240
	Non Resident Indians (Non Repat)	120	311835	0	0	311835	0.16	311835	0	311835	0.16	0	0.16	0	0.00	NA	NA	288165
	Non Resident Indians (Repat)	56	88125	0	0	88125	0.05	88125	0	88125	0.05	0	0.05	0	0.00	NA	NA	85335
	Body Corp-Ltd Liability Partnership	18	202590	0	0	202590	0.10	202590	0	202590	0.10	0	0.10	0	0.00	NA	NA	202590
	Clearing Member	25	164790	0	0	164790	0.09	164790	0	164790	0.09	0	0.09	0	0.00	NA	NA	164790
	Bodies Corporate	193	2401470	0	0	2401470	1.24	2401470	0	2401470	1.24	0	1.24	0	0.00	NA	NA	2337885
	Sub Total (B)(3)	12190	25353255	0	0	25353255	13.10	25353255	0	25353255	13.10	0	13.10	0	0.00	NA	NA	22419975
	Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)	**12221**	**50593875**	**0**	**0**	**50593875**	**26.15**	**50593875**	**0**	**50593875**	**26.15**	**0**	**26.15**	**0**	**0.00**	**NA**	**NA**	**46442400**

Table IV: Statement showing shareholding pattern of Non promoter Non public shareholder

S. No.	Category & Name of the shareholders	Nos. of shareholders	No. of fully paid-up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
								No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)	
								Class eg: X	Class eg: y	Total								
	(I)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+ (VI)	(VIII) As a % of (A+B+C2)	(IX)				(X)	(XI)= (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)
1	Custodian/DR Holder	0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0
2	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0
	Total Non-Promoter- Non Public Shareholding (C)= (C)(1)+(C)(2)	**0**	**0**	**0**	**0**	**0**	**0.0000**	**0**	**0**	**0**	**0.0000**	**0**	**0.0000**	**0**	**0.0000**	**NA**	**NA**	**0**

Note: * On the allotment of shares to the Promoter namely Shapoorji Pallonji and Company Private Limited, pursuant to the Scheme. The equity shares held by the Promoter namely Shapoorji Pallonji and Company Private Limited are proposed to be pledged in favour of SBICAP Trustee Company Limited as the security trustee acting in trust and for the benefit of the consortium of lenders led by State Bank of India, who are part of the one-time restructuring plan of the Promoter implemented in accordance with the resolution framework for COVID 19 related stress pursuant to Circular no. RBI/2020-21/16 DOR. No. BP. BC/3/21.04.048/2020-21 dated August 06, 2020 issued by the Reserve Bank of India (and as amended from time to time) under the Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Directions, 2019.

4. **Equity Shares held by Top Ten Shareholders**

(a) Our shareholders and the number of Equity Shares of ₹ 10/- each held by them as on the date of the Information Memorandum is as follows:

Sr. No.	Name of the Shareholders *	No. of Equity Shares	% of total Shareholding
1	Shapoorji Pallonji and Company Private Limited	14,03,89,395	72.56
2	India Discovery Fund Limited	1,72,23,825	8.90
3	Antara India Evergreen Fund Ltd	49,93,365	2.58
4	Forbes Campbell Finance Limited	24,95,970	1.29
5	Governor of Kerala	11,99,700	0.62
6	Mangal Bhanshali	11,31,000	0.58
7	Bhanshali Manek HUF	6,70,500	0.35
8	A & N Ventures Private Limited	6,70,110	0.35
9	DSP India T.I.G.E.R. Fund	5,88,705	0.30
10	Kerala State Industrial Development Corporation	4,55,445	0.24
	Total	16,98,18,015	87.77

* Names of only first holder has been disclosed where shares held jointly

In addition to above, there are 24,53,925 Equity shares (equivalent to 1.27% of the total shareholding) held with "**Investor Education and Protection Fund Authority Ministry of Corporate Affairs**".

(b) Our shareholders and the number of Equity Shares of ₹ 10 each held by them 10 days prior to the date of implementation of the Scheme is as follows:

Sr. No.	Name of the Shareholders *	No. of Equity Shares	% of total Shareholding
1	Eureka Forbes Limited	48,27,257	100
2	Eureka Forbes Limited jointly with Mr. Marzin R Shroff *	1	0
3	Eureka Forbes Limited jointly with Mr. Rajagopalan Sambamoorthy*	1	0
4	Eureka Forbes Limited jointly with Mr. Aslam Karmali*	1	0
5	Eureka Forbes Limited jointly with Ms. Kavita Gandhi *	1	0
6	Eureka Forbes Limited jointly with Mr. Shashank Sinha*	1	0
7	Eureka Forbes Limited jointly with Mr. Dattaram P Shinde*	1	0
	Total	**48,27,263**	**100.00**

* Names of only first holder has been disclosed where shares held jointly

5. Our Promoter, Promoter Group, Directors and their relatives have not sold or purchased any shares of our Company during the period of six months preceding the date of the Information Memorandum except the Equity Shares allotted / cancelled by the Company on February 14, 2022 pursuant to the Scheme.

6. Our Promoter, Promoter Group, Directors and their relatives have not financed the purchase by any other person of the Equity Shares of our Company during the period of six months immediately preceding the date of the Information Memorandum.

7. As on the date of the Information Memorandum, there are no outstanding warrants, options or rights to convert debentures or other instruments.

8. As on the date of the Information Memorandum, the issued capital of our Company is fully paid-up.

9. On the allotment of shares to the Promoter namely Shapoorji Pallonji and Company Private Limited, pursuant to the Scheme. The equity shares held by the Promoter namely Shapoorji Pallonji and Company Private Limited are proposed to be pledged in favour of SBICAP Trustee Company Limited as the security trustee acting in trust and for the benefit of the consortium of lenders led by State Bank of India, who are part of the one-time restructuring plan of the Promoter implemented in accordance with the resolution framework for COVID 19 related stress pursuant to Circular no. RBI/2020-21/16 DOR. No. BP. BC/3/21.04.048/2020-21 dated August 06, 2020 issued by the Reserve Bank of India (and as amended from time to time) under the Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Directions, 2019.

10. Neither we, nor our Directors, Promoter, Promoter Group Entities have entered into any buyback and / or standby arrangements and / or similar arrangements for the purchase of our Equity Shares from any person.

11. As on the date of the Information Memorandum, the Company has 12,223 shareholders.

12. We do not have any Employees Stock Option Scheme or Employees Stock Purchase Scheme.

13. There shall be only one denomination for the Equity Shares of the Company, subject to applicable regulations and Company shall comply with such disclosure and accounting norms, as specified by SEBI, from time to time.

SCHEME OF ARRANGEMENT

For definitions of the terms used herein, but if not defined, you may refer to the Scheme of Arrangement

The Composite Scheme of Arrangement was filed under Section 230 to 232 of the Act read with section 66 and other relevant provisions of the Act between ATPL, EFFSL, Erstwhile EFL, FCL and the Company. In addition, the Scheme also provides for various other matters consequential and/or otherwise integrally connected herewith.

A. Rationale for the Scheme of Arrangement

I. Part II of the Scheme of Arrangement provided as under:

a. Erstwhile EFL owned 100% of the equity share capital in ATPL and EFFSL and each of Erstwhile EFL, ATPL and EFFSL were part of Shapoorji Pallonji Group ("**SP Group**").

b. ATPL was engaged in business complementary to the business of Erstwhile EFL and amalgamation of ATPL into Erstwhile EFL would benefit Erstwhile EFL in expansion of water purifier business with reduction in administrative costs in addition to consolidation and simplification of group structure. No business operations were carried out in EFFSL and accordingly, amalgamation of EFFSL into Erstwhile EFL was slated to result in simplification and consolidation of group structure and facilitate management in achieving administrative efficiency.

II. Part III and Part IV of the Scheme of Arrangement provided as under:

a. FCL and Erstwhile EFL were companies belonging to the SP Group. FCL owned 100% share capital of Erstwhile EFL, and Erstwhile EFL in turn held 100% of the share capital of ATPL, EFFSL and the Company.

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

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

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

ii. Segregation of business of Erstwhile EFL into Eureka Forbes Limited in the manner provided in the Scheme;

iii. Unlocking the value for the shareholders of FCL by listing of the shares of Eureka Forbes Limited;

iv. Allowing managements of the each of FCL and Eureka Forbes Limited/ Erstwhile EFL to pursue independent growth strategies;

v. Allowing creation of the ability to achieve valuation based on respective risk-return profile and cash flows, attracting the right investors and thus enhancing flexibility in accessing capital;

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

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

Treatment of Scheme for the purposes of Income-Tax Act, 1961

The provisions of this Scheme have been drawn up to comply with the conditions relating to "Amalgamation" and "Demerger" as defined under section 2(1B) and 2(19AA) of the Income Tax Act, 1961, respectively. If, at a later date, any of the terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of section 2(1B) and 2(19AA) of the Income Tax Act, 1961, including as a result of an amendment of law or enactment of new legislation or any other reason whatsoever, the provisions of section 2(1B) and 2(19AA) of the Income Tax Act, 1961, or a corresponding provisions of any amended or newly enacted law, shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with section 2(1B) and 2(19AA) of the Income Tax Act, 1961. Such modifications, if required to be made will, however, not affect the other provisions (including those relating to accounting treatment) of the Scheme.

Consideration

For Part II of Scheme of Arrangement:

- The entire share capital of the ATPL and EFFSL was held by Erstwhile EFL. In other words, ATPL and EFFSL were wholly owned subsidiaries of Erstwhile EFL. Accordingly, pursuant to this Scheme, no shares of Erstwhile EFL were issued and allotted in respect of shares held by it in ATPL and EFFSL respectively. Upon the effectiveness of the Scheme, the entire share capital of ATPL and EFFSL was cancelled and extinguished without any further act, deed or instruments as an integral part of the Scheme.
- The investment in the shares of the ATPL and EFFSL appearing in the books of account of Erstwhile EFL was cancelled without any further act, deed or instrument.

For Part III of the Scheme of Arrangement:

- The entire share capital of Erstwhile EFL was held by FCL. In other words, Erstwhile EFL was a wholly owned subsidiary of FCL. Accordingly, pursuant to this Scheme, no shares of FCL were issued and allotted in respect of shares held by it in Erstwhile EFL. Upon effectiveness of the Scheme becoming effective, the entire share capital of Erstwhile EFL was cancelled and extinguished without any further act, deed or instruments as an integral part of this Scheme.
- The investment in the shares of Erstwhile EFL appearing in the books of account of FCL was cancelled, without any further act, deed or instrument.

For Part IV of the Scheme of Arrangement:

- Upon effectiveness of the Scheme and in consideration for Demerger of Demerged Undertaking of FCL into Eureka Forbes Limited, Eureka Forbes Limited issued and allotted equity shares of face value ₹ 10/- each, credited as fully paid-up, to all the equity shareholders of FCL whose names appear in the register of members as on the Record Date of the Scheme or to their respective heirs, executors, administrators or other legal representatives or the successors-in-title, as the case may be, in the following proportion:

  15 (Fifteen) fully paid-up Equity Shares of ₹ 10/- each of Eureka Forbes Limited shall be issued and allotted to the Equity Shareholders of FCL, against 1(One) fully paid-up Equity Shares of ₹ 10/- each held by them in FCL.

Approvals with respect to Scheme of Arrangement

The Hon'ble National Company Law Tribunal, Mumbai Bench, *vide* Order dated January 25, 2022 (certified copy received by the Company on January 31, 2022) approved the Composite Scheme of Arrangement between ATPL, EFFSL, Erstwhile Eureka Forbes Limited, FCL and the Company and their respective Shareholders and Creditors under Sections 230 to 232 read with Section 66 of the Act. In accordance with the said Scheme, the equity shares of our Company issued and allotted pursuant to the Scheme shall be listed and admitted to trading on the BSE. Such listing and admission for trading is not automatic and is subject to fulfillment by the Company of criteria of BSE and also subject to such other terms and conditions as may be prescribed by BSE at the time of application by our Company seeking listing. Our Company has received no objection from BSE on the Scheme of Arrangement under Regulation 37 of the SEBI LODR Regulations vide their letter no DCS/AMAL/JR/R37/1875/2020-21 dated January 12, 2021 and DCS/AMAL/JR/R37/2150/2020-21 dated November 23, 2021.

The Company has received approval for listing of its Equity Shares on BSE vide their letter no. DCS/AMAL/TL/IP/2244/2021-22 dated March 02, 2022. Further, the Company has also received a letter bearing no. SEBI/HO/CFD/DIL2/AN/OW/2022/8961 dated March 02, 2022 from SEBI in relation to relaxation from applicability of Rule 19(2)(b) of SCRR for listing of the Equity Shares of Eureka Forbes Limited on stock exchange.

STATEMENT OF POSSIBLE TAX BENEFITS

To
The Board of Directors
Eureka Forbes Limited (formerly known as: Forbes Enviro Solutions Limited)
B1/B2, 7th Floor, 701, Marathon Innova
Ganpatrao Kadam Marg, Lower
Parel, Mumbai, 400013

Subject: Statement of Possible Special Tax Benefits available to Eureka Forbes Limited (formerly known as: Forbes Enviro Solutions Limited) **(the "Company") and its Shareholders**

1. We, Batliboi & Purohit, Chartered Accountants, the statutory Auditors of the Company, hereby enclose herewith the **STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS ('the Statement'),** prepared by the Company and initialled by us for identification, showing the current position of tax benefits available to the Company and to its shareholders as per the provisions of the Income Tax Act, 1961, as applicable for assessment year 2022-23 relevant to the financial year 2021-22, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017 and the applicable State / Union Territory Goods and Services Tax Act, 2017 ("GST Acts"), as amended from time to time, the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act"), as amended by the Finance Act 2021 applicable for the Financial Year 2021- 22, Foreign Trade Policy 2015-20 as extended till 30.09.2021 vide Notification No 60/2015-20 dated 31.03.2021 (unless otherwise specified), presently in force in India; for inclusion in the Information Memorandum (the "**Information Memorandum**") in connection with the listing of the equity shares of the Company.

2. These benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Relevant Acts. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilment of such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfil.

3. The benefits discussed in the enclosed Statement are neither exhaustive nor conclusive. Further, the preparation of the enclosed Statement and its contents is the responsibility of the Company's management. We were informed that, this Statement is only intended to provide general information to the shareholders and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each shareholder is advised to consult their own tax consultant with respect to the specific tax implications arising out of their shareholding in the Company. We are neither suggesting nor are we advising the investor to invest money or not to invest money based on this Statement.

4. We do not express any opinion or provide any assurance as to whether the:

    i. The Company and/or its shareholders will continue to obtain such possible tax benefits in the future; or
    ii. Conditions prescribed for availing such possible tax benefits where applicable, have been/would be complied with.
    iii. The revenue authorities/courts will concur with the views expressed herein

We hereby consent to the extracts of this Statement being used in the Information Memorandum of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

Limitations:
The enclosed Statement has been prepared based on the facts and assumptions indicated above. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. The enclosed Statement is based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the existing provisions of tax laws in force in India and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the Statement consequent to such changes. Reliance on the statement is on the express understanding that we do not assume any responsibility towards the shareholders, investors and third parties who may or may not invest, relying on the statement.

This statement has been prepared solely in connection with the proposed listing of Equity shares of the Company.

For **Batliboi & Purohit**
Chartered Accountants
Firm Registration No. 101048W

Atul Mehta
Partner
Membership No. 015935
Place: Mumbai

Date: 17th February, 2022

ICAI UDIN: 22015935ACZVEC2264

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO EUREKA FORBES LIMITED (FORMERLY FORBES ENVIRO SOLUTIONS LIMITED) (THE COMPANY) AND ITS SHAREHOLDERS

This Statement is only intended to provide the Special Tax benefits available to the Company and its Equity Shareholders under the Income Tax Act, 1961 in a general and summarized manner and does not purport to be exhaustive or comprehensive and is not intended to be a substitute for professional advice. In view of the individual nature of tax consequences and the changing tax laws, each investor is advised to consult their own tax advisor with respect to specific tax implications arising out of their investment in the Company.

A. UNDER THE INCOME TAX ACT, 1961 (THE "ACT")

1. SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY

1.1. Lower corporate tax rate under Section 115BAA of the Act

Section 115BAA of the Act has been inserted by the Taxation Laws (Amendment) Act, 2019 ("the Amendment Act, 2019") w.e.f. assessment year April 1, 2020 granting an option to domestic companies to compute corporate tax at a reduced rate of 25.168% (22% plus surcharge of 10% and cess of 4%), provided such companies do not avail the following deductions/exemptions:

(i) Deduction under the provisions of section 10AA; (deductions in respect of newly established Units in Special Economic Zones);

(ii) Deduction under clause (iia) of sub-section (1) of section 32 (Additional Depreciation);

(iii) Deduction under section 32AD or section 33AB or section 33ABA (Investment allowance in notified backward areas in certain states, Investment deposit account, site restoration fund);

(iv) Deduction under sub-clause (ii) or sub-clause (iia) or sub-clause (iii) of sub-section (1) or subsection (2AA) or sub-section (2AB) of section 35 (Expenditure on scientific research);

(v) Deduction under section 35AD or section 35CCC (Deduction in respect of expenditure on specified business, expenditure on agricultural extension project);

(vi) Deduction under section 35CCD (Expenditure on skill development project)

(vii) Deduction under any provisions of Chapter VI-A other than the provisions of section 80JJAA or section 80M;

(viii) without set off of any loss carried forward or depreciation from any earlier assessment year, if such loss or depreciation is attributable to any of the deductions referred from clause i) to vii) above; and

(ix) without set off of any loss or allowance for unabsorbed depreciation deemed so under section 72A, if such loss or depreciation is attributable to any of the deductions referred from clause i) to vii) above.

In case a company opts for section 115BAA of the Act, provisions of Minimum Alternate Tax ["**MAT**"] under section 115JB of the Act would not be applicable and MAT credit of the earlier year(s) will not be available.

The option needs to be exercised on or before the due date of filing the tax return in prescribed manner. Option once exercised, cannot be subsequently withdrawn for the same or any other tax year.

The Company has exercised the option of lower corporate tax rate under Section 115BAA of the Act.

1.2. Expenditure on scientific research

The Company is also availing benefit for expenditure on scientific research under the following section of the Act:

- Under section 35(1) (i) - any expenditure (not being in the nature of capital expenditure) laid out or expended on scientific research related to the business
- Under section 35(1)(iv) - in respect of any expenditure of a capital nature on scientific research related to the business (in a case where such capital expenditure is incurred after the 31st day of March, 1967, the whole of such capital expenditure incurred in any previous year shall be deducted for that previous year).

1.3. Amortisation of expenditure in case of amalgamation or demerger under section 35DD of the Act

The Company is also availing benefit for expenditure incurred wholly and exclusively for the purposes of amalgamation or demerger of an undertaking - a deduction of an amount equal to one-fifth of such expenditure for each of the five successive previous years beginning with the previous year in which the amalgamation or demerger takes place.

2. SPECIAL TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS OF THE COMPANY

A. The shareholders of the Company are not entitled to any Special Tax benefits under the Act specific to their investment in equity shares of the Company, other than those generally available to the shareholders of any company. However, the non-resident shareholders can offer the dividend income to tax under the beneficial provisions of the Double Taxation Avoidance Agreement, if any. Further, the non-resident shareholders would be eligible to claim the foreign tax credit, based on the local laws of the country of which the shareholder is the resident.

B. The Company is not entitled to any special tax benefits under the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017 and the applicable State / Union Territory Goods and Services Tax Act, 2017 ("GST Acts"), as amended from time to time, the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act"), as amended by the Finance Act 2021 applicable for the Financial Year 2021-22, Foreign Trade Policy 2015- 20 as extended till 30.09.2021 vide Notification No 60/2015-20 dated 31.03.2021.

Notes:

a. The above statement of Direct and Indirect Tax Benefits sets out the possible tax benefits available to the Company under the current tax laws presently in force in India.
b. The above statement of Direct Tax Benefits sets out the possible tax benefits available to its shareholders under the current tax laws presently in force in India
c. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their investment in the Company.
d. We have not commented on the taxation aspect under any law for the time being in force, as applicable, of any country other than India. Each investor is advised to consult their own tax consultant for taxation in any country other than India.
e. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

For **Eureka Forbes Limited**

Authorised Signatory

Place: Mumbai
Date: 17.02.2022

INDUSTRY OVERVIEW

The information presented in this section has been obtained from publicly available documents from various sources including officially prepared materials from the Government of India and its various ministries, industry websites/publications and company estimates. Industry websites / publications generally state that the information contained therein has been obtained from sources believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry and government publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Although we believe industry, market and government data used in the Information Memorandum is reliable, it has not been independently verified. Similarly, our internal estimates, while believed by us to be reliable, have not been verified by any independent agencies.

Indian Economy

The global economy enters 2022 in a weaker position than previously expected. As the new Omicron COVID-19 variant spreads, countries have reimposed mobility restrictions. Rising energy prices and supply disruptions have resulted in higher and more broad-based inflation than anticipated, notably in the United States and many emerging market and developing economies. The ongoing retrenchment of China's real estate sector and slower-than-expected recovery of private consumption also have limited growth prospects.

Global growth is expected to moderate from 5.9 in 2021 to 4.4 percent in 2022 - half a percentage point lower for 2022 than in the October World Economic Outlook (WEO), largely reflecting forecast markdowns in the two largest economies. A revised assumption removing the Build Back Better fiscal policy package from the baseline, earlier withdrawal of monetary accommodation, and continued supply shortages produced a downward 1.2 percentage-points revision for the United States. In China, pandemic-induced disruptions related to the zero-tolerance COVID-19 policy and protracted financial stress among property developers have induced a 0.8 percentage-point downgrade. Global growth is expected to slow to 3.8 percent in 2023. Although this is 0.2 percentage point higher than in the previous forecast, the upgrade largely reflects a mechanical pickup after current drags on growth dissipate in the second half of 2022. The forecast is conditional on adverse health outcomes declining to low levels in most countries by end-2022, assuming vaccination rates improve worldwide and therapies become more effective.
(Source: Website of Ministry of Statistics and Programme Implementation)

As per the latest estimates available on the Index of Industrial Production (IIP), The General Index for the month of December 2021 stands at 138.0, which is 1.4 percent high as compared to the level in the month of December 2020. The cumulative growth for the period April-December 2021-22 over the corresponding period of the previous year stands at 15.2 percent. The Indices of Industrial Production for the Mining, Manufacturing and Electricity sectors for the month of December 2021 stand at 120.3, 138.8 and 162.5 respectively. The Quick Estimates for December 2021, the first revision for November 2021 and the final revision for September 2021 have been compiled at weighted response rates of 88 percent, 92 percent and 94 percent respectively.
(Source: Website of Ministry of Statistics and Programme Implementation)

The total Foreign Direct Investment (FDI) into India, since April 2000 including equity inflows, reinvested earnings and other capital is US$ 560,787 Million (April, 2000 – September 2021). During the calendar year 2021 (upto September, 2021), FDI equity inflows of US$13,587 Million have been received. This represents increase of 4% over the FDI equity inflows of US$31,153 Million received during the correspondence period.
(Source: Website of Department of Industrial Policy and Promotion)

Consumer Durables in India

Consumer durables was one of the largest and fastest growing segments within India's consumer market. It consists of two main categories: home and household appliances, and consumer electronics. Major and small appliances, like refrigerators, washing machines, and microwave ovens, vacuum cleaners and fans, are broadly classified as home appliances. As for consumer electronics, the definition in India vary depending on the source. When mentioned in the context of consumer durables, it mostly includes television sets, radios, personal computers and sometimes mobile phones and other electronic devices, like tablets, wearable devices, etc.

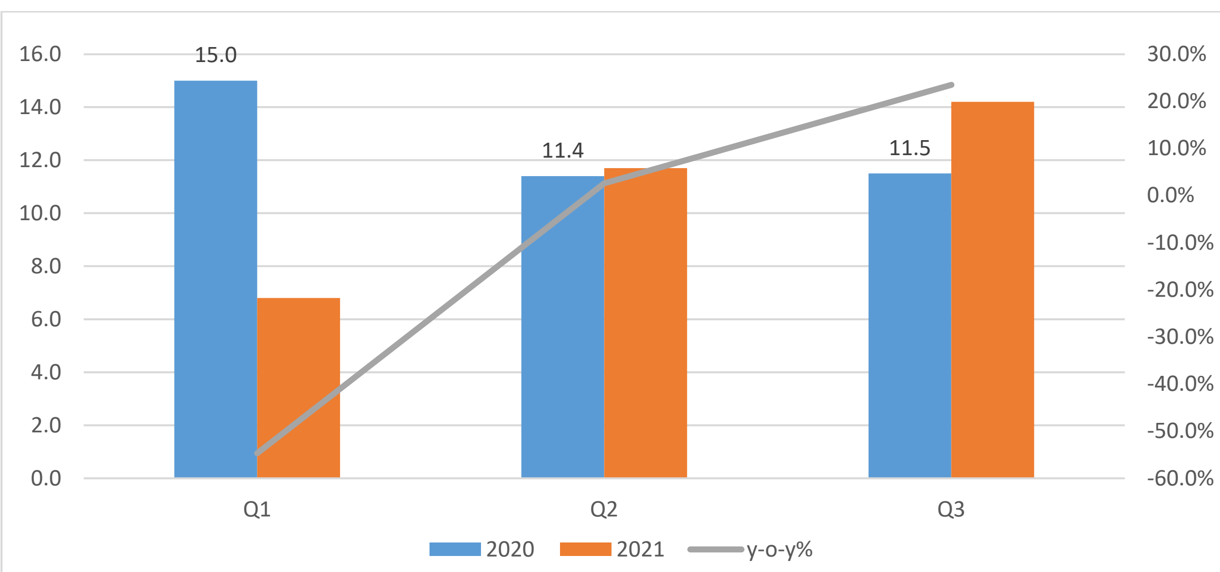
The consumer durables market is split into two key segments

CONSUMER DURABLES	
Consumer Electronics (Brown Goods)	**Consumer Appliances (White Goods)**
Televisions	Air Conditioners
CD/DVS Players	Washing Machines
Laptops	Electric Fans
Audio and Video systems	Microwave ovens
Personal computers	Refrigerators
Digital Camera	Cleaning equipment's
Camcorders	Sewing machines

Production of consumer durable goods in Q3FY20 and Q3FY21

Type of goods	Unit	Q3FY20	Q3FY21	y-o-y% Change
TV Sets	Lakh	5.1	6.5	27.5%
Air Conditioners		8.3	9.2	12.7%
Washing/laundry machines		14.4	19.8	37.5%
Refrigerators for domestic use		23.0	28.1	22.2%
Electric cooking appliances		7.6	9.5	25.0%
Travel goods, handbags, office bags etc	Rs. Billion	5.6	3.9	-30.0%
Computer & peripherals		5.3	7.0	32.1%
Telephone & mobile phone instruments	Crore	1.5	1.4	-6.0%

As can been seen from the chart above, consumer durables goods (except travel goods & telephone, mobile phone instruments) registered a double-digit growth in production on a yearly basis in Q3FY21. Continuance of work from home culture and lectures/classes being conducted online supported the demand of goods that enhance convenience at home such as refrigerators, electric cooking appliances, washing machines and ACs. It is believed that as people spent more time at home, they focused on upgrading their current TV sets for bigger screens. On the other hand, 'Travel goods, handbags, office bags' category recorded a decline of 30% mainly due to imposition of travel restrictions. Similarly, telephone and mobile phone instruments category declined on a yearly basis by 6% in Q3FY21.



According to business surveys conducted by Retailers Association of India (RAI), consumer durables and electronics category recorded yearly sales growth of 10% and 15% in the months of January 2021 and February 2021 respectively. This data is based on sample set of 63 retailers. The growth momentum recorded in Q3 is expected to continue in Q4FY21 too. Also, it is believed that the top players in the consumer appliances industry are expecting double digit growth in sales the upcoming summer season for cooling products such as ACs, refrigerators, air coolers and air purifiers which could in a way help them offset the adverse impact they recorded in consumer demand during the last summer season due to the outbreak of Covid-19. However, it is to be noted that the recent spike in Covid-19 cases might hamper the consumer demand.

PLI scheme for large scale electronics manufacturing

In order to promote domestic manufacturing, the government rolled out production linked incentive scheme for large scale electronics as can be seen from the chart below. These schemes are in line with the vision of National Policy on Electronics, 2019 to position India as a global hub for Electronics Systems Design and Manufacturing (ESDM).

Details of PLI scheme for large scale electronics manufacturing

Round	Target Segment	Incentives	Incentives applicable from	Duration of the Scheme
1	Mobile phones and specified electronic components	4% to 6% on incremental sales (over base year) of goods manufactured in India and covered under target segments, to eligible companies	1st August, 2020	5 years subsequent to the base year
2	Specified electronic components	5% to 3% shall be extended on incremental sales (over base year) of goods manufactured in India and covered under the target segment, to eligible companies	1st April, 2021	4 years applicable from base year 2019-20

According to a press release by PIB dated 1st August, 2020, the scheme is expected to generate total production of Rs 11.5 lakh crores in the country and attract additional investments of Rs 11 thousand crores. Further, it will also promote exports and it is projected that more than 60% of the total production will be contributed by exports.

Union Budget proposals

In the budget announcements made for 2021-22, for electronics and mobile phones, a few exemptions on parts of chargers and sub parts of mobile phones are being withdrawn. In addition to this, some parts of mobiles which had 'nil' custom duty rate will now be charged at a moderate rate of 2.5%. Further, the import duty on compressor of refrigerators and ACs will be raised from 12.5% to 15%. The proposed changes in rates will be applicable with effect from 2.2.2021 unless stated otherwise. These measures are aimed at promoting domestic manufacturing in the country in the long run however cost of products will increase in the short to medium term.

On similar grounds, in the budget announcements made for 2021-22, a quantum of Rs 60,000 crore is proposed to be allocated to provide tap water to 3.8 crore households under Har Ghar, Nal Se Jal scheme. The current coverage of Har Ghar, Nal Se Jal is 8.7 crore, out of which 5.5 crore households were provided tap water in last 2 years itself. Such investments in tap water infrastructure with respect to households is expected to benefit water purifier industry in India.

Outlook for FY2022 & Concluding Remarks

Consumer electronics and appliances industry witnessed sharp contraction in demand in Q1FY21 due to the outbreak of Covid-19 and subsequent restrictions. However, demand has been improving from Q2FY21 due to ease in restrictions and is backed by pent up demand. Further, festive season also supported the growth in the third quarter of the current financial year. This momentum is expected to continue in Q4FY21.

In FY2022, production is expected to grow in the range of 5% to 8%. Work from home culture is expected to aid the growth in demand for goods that enhance personal convenience at home. Also, rural demand could outgrow the demand from urban markets on the back of rising rural incomes and government initiatives taken in relation to rural electrification.

Long term demand prospects for the industry remain positive supported by growing working population, higher disposable income, easier access to credit and improving standard of living.

OUR BUSINESS

The following summary is qualified in its entirety by, and should be read in conjunction with more detailed information of our financial statements appearing elsewhere in this Information Memorandum along with the risks discussed under the section titled "Risk Factors". In this section "our Company", "we", "us" and "our" refers to Eureka Forbes Limited.

We are one of the leading retail brands for health and safety solutions in India and one of the dominant player focusing on quality and innovation across a range of different product categories in the health and safety solutions space. Our businesses can be broadly classified as business of manufacturing, selling and servicing of vacuum cleaners, water filter cum purifiers, water and waste water treatment plant, trading in electronic air cleaning systems, small household appliances, digital security system, air-conditioners and all kinds of electrical & non electrical appliances etc. We also have a strong distribution and after sale service network for our products.

Our Company has a resilient product portfolio which straddles across the pricing pyramid. Our flexible business model allows us to adapt and respond quickly, to develop new offerings that suit changing needs during economic downturns. Our business is primarily driven through:

Relationship Marketing Division: The resurgence of relationship marketing was indicated with higher productivity, higher profitability and the launch of a completely new variable based 'Sales Consultant' model. The Sales Consultant model has been successfully implemented. In the partner channel, we drove network quality with the right size and profile of partners. The various initiatives taken across the relationship marketing division during COVID-19 Pandemic, have led to an increased performance of erstwhile Eureka Forbes Limited with better number post transformation growth in the second half of FY 21.

Consumer Division: The Consumer Division impacted severely by the lockdown adopted digital tools to improve consumer connect and maximise conversion. The Retail channel conducted over 65,000 virtual water tests with 8% conversion, enabling a monthly tertiary value of more than ₹ 65 million. Other initiatives include, Tell-Sell enabling telephonic coverage and order taking for existing dealers and tele-calling for new dealers to add new outlets and incremental billing; over 15,000 non Permanent Journey Plan stores. The Sales team with access to an advanced, digitally enabled Field Assist app, ensured that Erstwhile Eureka Forbes Limited became the most widely distributed Water Purifier available in 21,000+ stores across the country. The drive towards increasing distribution, product premiumisation and increased engagement at retail floor, has helped Consumer Division Electric Water Purifiers, gain overall 30 basis points YTD Dec 2021 in the retail channel, and 240 basis points in organized retail channel, compared to subsequent period last year. (Source: GFK Data). In the Cleaning category, we launched a new range of robotic vacuum cleaners which helped gain strong double digit market share, in this high growth premium segment. (Source: GFK data).

Customer Service: The Customer Service channel re-designed onground operations driving service technician productivity, resulting in enhanced technician learning and improved retention. Digitisation of processes for better control, with analytics driven consumer outreach and digital AMC sales has been implemented across the channel.

Manufacturing: Manufacturing capacity at the Bangalore factory of Erstwhile Eureka Forbes Limited has been upgraded to ensure smooth operations. Supply chain, technical and marketing teams worked together expeditiously on localization of critical components to reduce dependence on the imports and add to the 'Made in India' alignment for EFL's house of brands.

E-commerce: Erstwhile Eureka Forbes Limited became the Partner of Choice with key platforms through category leading innovations and products. There have been focused initiatives taken such as; maximizing product availability across price points, curated marketing calendars and optimised spends to improve performance metrics, initiatives to enhance customer engagement to improve reviews and ratings on platforms, 400+ unauthorised sellers were identified and weeded out to ensure the safety of our customers against imposters.

Digital / IT enablers of Erstwhile Eureka Forbes Limited: Erstwhile Eureka Forbes Limited launched WhatsApp for business, which post going live, has seen 500+ customers connecting with us, every day. The Erstwhile Eureka

Forbes Limited service App was also rolled out, and has seen over 55,000 downloads within the first week of the launch. The IT team utilized 'Big Data' to predict which of our customers are most likely to enter into an AMC and prioritised their Mandatory Service - 200,000 such high potential customers were identified.

Product Range

1. **Water Purifiers**

- Electric water purifiers across UF, UV, RO, RO+UV technologies
- We focus on innovation, with new products contributing, a significant portion of the brand sales in recent years.
- We have 100+ SKUs catering to over 21 different water conditions and many technologies providing the most appropriate technology solution

2. **Vacuum Cleaners**

- Portfolio consists of all three types of vacuum cleaners – canister, portable and upright, Recently, we have also made its foray into robotic vacuum cleaners with resounding success
- Products are sold under Forbes brand and sold under the retail and relationship marketing channels
- We have 30+ SKUs across price points
- Recently, we saw huge success in its flagship upright & the robotic model Mop N Vac

3. **Air Purifiers**

- Provides air purifiers for indoor applications across price points
- In 2020-21, we have launched its flagship air purifier PRO 1000 and PRO 1000H, which have been proven to provide disinfection efficiency of 99.9% in 60 minutes of usage against the corona family of virus.

4. **Safety and Security Division**

- Consists of security systems and home automation systems, designed to provide easy access to all home appliances, at the touch of a button. We marked our foray into the exciting futuristic home automation category with Intelligenz Home Automation System.

Manufacturing facilities

The manufacturing facilities of our Company are situated at:

Location	Address
Bangalore	No. 143, C-4, Bommasandra Industrial Area, Off Hosur Road, Bangalore – 560099, Karnataka
Dehradun	Khasra No.3946,3961-62, Lal Tappar Industrial Area, Majri Grant, Dehradun - 248140, Uttarakhand

Manufacturing process

We produce majority of water-purifies sold by us in-house across our facilities in Dehradun and Bangalore. The annual capacity across these facilities is 1.15 mn units with a capability of manufacturing multiple categories – Water Purifiers (domestic & institutional), Vacuum Cleaners, Air Purifiers, Coronaguard.

Dehradun facility consists of integrated assembly lines, customised separately for low and high-volume production requirements with automated filter assembly and kit production. Bangalore facility consists of flexible conveyorized assembly lines for multiple products (Water Purifiers, Air Purifiers, Vacuum Cleaners, Coronaguard), Reliability lab for vacuum cleaner components, water testing laboratories for microbiological and chemical analysis. However, both factories are equipped to produce all products/ models in the 'in-house manufactured' products' list. We follow a hybrid approach, where few key components are manufactured inhouse (such as membrane, etc) where others are procured from domestic and international vendors (such as pumps, plastics, electronics, etc.). Few products are also sourced from strategic partners.

Covid-19 Pandemic

The increasing trend in the infection, locally and globally, new strains of Covid-19, restrictions and lockdown imposed by local authorities of varying extent, have led to uncertainty and disrupted operations of many large and small businesses. There is a significant change in the demand/supply of products, priorities of consumers, budgets/growth plans of companies. Covid-19 pandemic has amplified existing risks. The Company was not immune to the same. To mitigate the risks the Company took lot of precautions & strict factory management such as shop floor sanitization after every shift, keeping track of each employee's well-being, and strictly following Covid-19 protocol, adopting digital tools to engage with existing & prospective customers etc. All these efforts immensely helped us to mitigate the pandemic risk and establish connections with customer & business growth.

Composite Scheme of Arrangement

The Board of Directors of the Company at their Board Meeting held on 8th September, 2020 had, *inter alia*, approved the Scheme of Arrangement under Sections 230 to 232 and other applicable provisions of the Act and the rules and regulations made thereunder. The Scheme of Arrangement, *inter alia*, provided for amalgamation and vesting of ATPL and EFFSL (then wholly owned subsidiaries of Erstwhile Eureka Forbes Limited)] with and into Erstwhile Eureka Forbes Limited and amalgamation and vesting of Erstwhile Eureka Forbes Limited with and into FCL. Further, upon the above part of the Scheme of Arrangement becoming effective, Demerger and vesting of Demerged Undertaking (as defined in the Scheme of Arrangement) of FCL into Forbes Enviro Solutions Limited (then wholly owned subsidiary of Erstwhile Eureka Forbes Limited), on a going concern basis took place. Upon the effectiveness of the Scheme, the name of the Company was changed from "Forbes Enviro Solutions Limited" to "Eureka Forbes Limited".

Erstwhile Eureka Forbes Limited was incorporated in Kolkata (erstwhile Calcutta), West Bengal, on 5 February 1931, under the Companies Act, 1913, under the name 'Samuel Osborn (India) Ltd' and was carrying on the business in the health and safety solutions space. The name of the Company was subsequently changed to 'Eureka Forbes Limited' on 12 April 1982. Pursuant to the Order dated January 25, 2022 of the National Company Law Tribunal, Mumbai Bench approving the Composite Scheme of Arrangement between ATPL, EFFSL, Erstwhile Eureka Forbes Limited, FCL and the Company and their respective shareholders. Erstwhile Eureka Forbes Limited was amalgamated into FCL and the health and safety solutions business was demerged to Forbes Enviro Solutions Limited. The name of Forbes Enviro Solutions Limited was subsequently changed to "Eureka Forbes Limited" on February 11, 2022. The Effective Date and Appointed Date is February 01, 2022.

Our Strengths

- **Established brand name**

We have been present in the consumer durables industry for several decades, which has helped us develop a brand name which is synonymous with the product category. We have developed our products and services to satisfy the changing needs and demands of our end consumers in India. With constant improvement in performance of our products, augmented with quality and recognition of our brand, we believe that our brand has gained the trust of the consumer at large.

- **Wide range of products and strong presence in select product categories**

Our revenue stream comes from diverse domains and caters to the requirements of both consumers and customers in the larger institutes. We offer products ranging from water purifiers, vacuum cleaners, air purifiers, safety and security products.

We have a strong presence in Water Purifiers and Vacuum Cleaners. Being pioneers of water purification systems, with the brand "Aquaguard" providing a range of water purification systems with universal RO & UV technology and also a wide range of wet & dry hand held vacuum cleaners under the brand 'Forbes'. Our strong brand, technological advancement, extensive manufacturing and sales force network, has helped create a strong presence in these product categories. Our ability to develop and supply varied products as per the changing needs of the customers has made us enjoy a strong market position in many of our product categories.

- **Large established channel network**

We have established a large channel network across India, enabling our products to reach our consumers easily and also ensure timely and prompt after sales service.

- **Superior technology**

In order to maintain and enhance our market leadership, we support the execution of our business strategies with superior technology which helps us innovate and meet the ever-changing needs of customers in India. Our in-depth technical knowledge allows us to always stay ahead of the curve and bring new consumer relevant products into the market at the appropriate time. We also collaborate with world renowned players when required. We have a dedicated state-of-art research and development team, constantly endeavoring to upgrade our products in terms of quality and reliability.

- **Asset Water purification technologies**

Trusted by over 75 million users, Aquaguard is one of the largest selling water purifiers in the country and has received numerous Indian and international accolades. Aquaguard has received more than 130 certifications by leading water laboratories all over the world. Over the years, we have developed 57 (direct and indirect) water purification technologies to combat 22 different water conditions across the country

- **Strong after sales service**

Every year, numerous customers are attended to and addressed by our dedicated after sales service team in India, which supports both installation requirements and complaint handling we have over 8000+ company- trained technicians operate from over 1,400+ franchised service centers making over 40,000 kitchen visits daily. We constantly undertake skill development training programs for our technicians so that customer complaints and grievances can be resolved in a smooth manner. the technicians ensure that complaints are attended to within 48 hours.

- **Develop category and brand synergies**

We constantly monitor external market trends and collates consumer insights to develop category and brand strategies. We actively search for ways to translate the trends in consumer preference and taste into new technologies for incorporation into future products. We develop product ideas both in-house and with selected partners to enable us to respond to rapidly changing consumer trends with speed.

- **Experienced senior management**

Our senior management team consists of individuals with strong academic backgrounds in the requisite fields of business management. Our senior management team has considerable experience in the industry as they have worked in the industry for over several decades.

Awards

Erstwhile Eureka Forbes Limited has in the past won the following awards for the health and safety solutions division being demerged to our Company:

- Reader's Digest Trusted Brand Aquaguard and Euroclean
- Business Superbrand EFL

- Superbrand - Euroclean/Forbes and Aquaguard
- UNESCO Water Digest Award
- The Frost & Sullivan Environment Excellence Awards
- Golden Peacock award

Quality Assurance

We have implemented quality assurance management systems and procedures that are aimed at ensuring consistency in the standard of our products and services across various product categories. We invest in world class technology as we have 18 water labs manned by qualified microbiologists. Water mapping proving product efficacy. Over 57 Indian and international patents and counting. Winner of prestigious design awards and breakthrough technology awards for new products developed. We have also enjoyed the position of being the development partner of choice for global technology companies. Our facilities operate in strict accordance with ISO certifications. Our products are rigorously inspected, tested and certified for quality, in-house. We continue to strive to upgrade and meet our customers' requirements, to have edge over competitors and to deliver quality products which give customer satisfaction. We invest in upgrading our equipment and technology and add new equipment from time to time.

Employees

Our employees contribute significantly to success of our business. We have a large pool of talented employees across all of our verticals. We conduct training sessions for all of our employees to upgrade their knowledge and skills from time to time.

Health, safety and environment

We are committed to health and safety of our employees and protection of the environment. Our goal is to provide a healthy and happy work environment by applying leading safety management systems.

Our Intellectual Property

Our Company owns the trademarks, “Aquaguard”, “Aquasure”, “Euroclean”, “Euroclean Bullet”, “Sure from Forbes”, “Aeroguard” and “Eurovigil” with respect to our products categories. Further, pursuant to the Scheme of Arrangement, the trademark “Forbes” in respect of certain goods under certain classes of the NICE classification of goods and services was transferred from FCL to the Company.

Insurance

Our Company has obtained various insurance covers, insuring us against loss or damage to buildings, plant & machinery, electronic equipment, portable electronic equipments, tools, instruments and accessories, furniture, fixtures and fittings, stocks in trade including work in progress, etc due to fire, Act of God perils, machinery breakdown and loss of profit resulting from fire and allied perils. Further, our Company is insured against all marine transit related losses/damages cargo on a warehouse to warehouse basis. Our Company has also obtained insurance against claims of legal liability for third party bodily injury, property damage, and personal and advertising injury (slander and false advertising) both in the declared business premises and away from our business premises. Our Company has obtained insurance policies for our Directors and Officers, group life insurance schemes for executive, mediclaim policy and personal accident insurance policy for both executives and workmen of our Company.

Corporate Social Responsibility

Community is at the heart of everything we do. We believe in: "Empowering individuals and groups of people by providing the solution and skills they need to affect change in their own communities."

Eureka Forbes Limited community projects are designed to empower the communities by involving local people as stakeholders in the projects. This leads to a sustainable and scalable community engagement model. We have the vision of working with people, corporates, NGOs and likeminded partners and build a relationship with every individual who thrives to bring a holistic makeover to such needs of the hour.

Our objective is to stimulate political attention, public action, and personal commitment to environmental preservation and providing potable water to mankind. Relationships have made us reach out to people in their homes, transforming the way they purify their drinking water and the air they breathe, clean their homes and secure their families. In this endeavor we have opted varied ways to ensure that both the urban and the rural Indian community gets clean potable water. Our most recent approach has been a rural channel which is striving to bring safe, affordable drinking water to people at the bottom-of-the-pyramid as well as solution-based community water systems(customized), generating non- agrarian employment and creating rural entrepreneurs.

In our continuous endeavor of creating a sustainable environment we have also spearheaded into diverse fields like use of solar lanterns, solar powered community water treatment plants and solar powered sewage treatment plant etc.

Thus, Eureka Forbes Limited is committed to build a happy, healthy pollution free world that is built on trust and lasting relationships. We believe that our bonds would help us to grow faster and care for many more families, building relationships that last a lifetime. We look forward to work with likeminded people and organizations.

Corporate Social Responsibility (CSR) is based on the belief that business sustainability is closely connected to the sustainable development of the communities that the business is a part of and the environment in which the business operates. Our Company has a dedicated CSR team that works tirelessly and achieve our community goals.

Properties

The immovable properties owned by us and the purpose for which such properties are used are as under:

Sr. No.	City	Type of Property	Property details	Built up / SBU Area	Consideration (₹ in lakhs)
1	Mumbai	Registered and Corporate Office	B1/B2 701 Marathon Innova, Off Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400013	23,000 sq. ft.	3326.25
2	Mumbai	Guest House	Flat No. 701, 7th Floor,Sterling Sea Face, "A" Wing,Dr. Annie Besant Road, Worli, Mumbai – 400 018.	2,150 sq. ft.	225.26
3	Mumbai	Guest House	Flat No.1103, 11th Floor, Sterling Sea Face, "B" Wing, Dr. Annie Besant Road, Worli, Mumbai – 400 018.	2,150 sq. ft.	233.00
4	Thane	Residential	Eden Wood "Cedar House" Co-op, Hsg. Society Ltd., Flat No.8 C, Eden Woods, Village Chitalsar, Manpada, Smt. Glady's Alvares Marg, Thane (West) – 400 061.	685 sq. ft.	22.82
5	Thane	Residential	Eden Wood "Cedar House" Co-op, Hsg. Society Ltd., Flat No.8 D, Eden Woods, Village Chitalsar, Manpada, Smt. Glady's Alvares Marg, Thane (West) – 400 061.		
6	Thane	Residential	Eden Wood "Cedar House" Co-op, Hsg. Society Ltd., Flat No.9 C, Eden Woods, Village Chitalsar, Manpada, Smt. Glady's Alvares Marg, Thane (West) – 400 061.		
7	Navi Mumbai - Turbhe	Warehouse	D-28/3, TTC Indl. Area Behind Turbhe Telephone Exchange, Turbhe, Navi	9,000 sq. ft.	5.42

Sr. No.	City	Type of Property	Property details	Built up / SBU Area	Consideration (₹ in lakhs)
			Mumbai - 400 705.		
8	Mumbai	Residential	Sarkar Castle Co-op. Hsg. Soc. Ltd., Flat No. 501, 5th Floor, 43 Chimbai Road, Bandra (west)Mumbai – 400 050	664 sq. ft.	23.75
9	Kolkata	Office	Shop No.201, 2nd Floor, South End Conclave, R. B. Connector, EKADP, Kolkata 700 078.	5,412 sq. ft.	108.24
10	Kolkata	Guest House	Vedic Village Unit No. L – F8, Shikharpur, P. S. Rajarhet North 24 Parganas, Kolkata 700 135	2,400 sq. ft.	68.00
11	Lucknow	Office	3rd floor, Nikhilesh Palace, Opp.Jawahar Nagar, 164/ 17-4, Ashok Marg, Lucknow – 226 0012	3,624 sq. ft.	63.51
12	Jaipur	Office	Shop No. 203 & 204, 2nd Floor,The Guman _ II, “A” Block, Opp. Tagore Public School,Vaishali Nagar, Jaipur – 302 021.	5,280 sq. ft.	43.00
13	Indore	Office	Unit No. 402-408, 4th Floor, Sapphire heights, Plot No.12, Agra - Bombay Road, Indore – 452 008.	4,417 sq. ft.	31.85
14	Ahmedabad	Office	2nd & 3rd Floor, CLOUD-9, 81/1, The Swastik Co. Op. Hsg. Soc. Ltd., Navrangpura, Ahmedabad- 380 009.	5,000 sq. ft.	60.11
15	Surat	Office	Shop No. 2, 2nd Floor, Shiv Pooja Shopping Centre, City Light Main Road, Surat – 395 007.	4,161 sq. ft.	89.21
16	Baroda	Office	Office NO. 102, 1st Floor, Ivory Terrace, R. C. Dutta Road, Alkapuri, Vadodaraa – 390 005.	4,638 sq. ft.	55.00
17	Bhubaneshwar	Office	Ground Floor, Bharati Tower, A- Block, Forest Park, Bhubaneswar – 751 009	4,410 sq. ft.	88.20
18	Chennai	Office	Shop No. B4 on 2nd Floor, “Anmol Palani”, No. 88, G. N. Chetty Road. T. Nagar, Chennai – 600 017	1,889 sq. ft.	51.95
19	Chennai	Office	Shop No. B5 on 3rd Floor, “Anmol Palani”, No.88, G. N. Chetty Road. T. Nagar, Chennai – 600 017	1,889 sq. ft.	51.95
20	Chennai	Office	Shop No. C5 & D5 on 3rd Floor, “Anmol Palani”, No.88, G. N. Chetty Road. T. Nagar, Chennai – 600017	2,024 sq. ft.	55.66
21	Hyderabad	Office	Unit No. 506, 5th Floor,Pavani Prestige, Commercial Building Complex, 6-3-789,Ammerpet, Hyderabad – 500 016.	1,061 sq. ft.	14.51
22	Hyderabad	Office	Unit No. 507 & 508, 5th Floor, Pavani Prestige, Commercial Building Complex, 6-3-789, Ammerpet, Hyderabad – 500 016.	4,381 sq. ft.	74.00
23	Cochin	Office	4th Floor, Tutus Tower, NH –47, Bye-Pass Road, Padivattom, Cochin -682 024.	3,575 sq. ft.	100.00
24	Bangalore	Factory	No. 143, C-4, Bommasandra Industrial Area, Off Hosur Road, Bangalore – 560099, Karnataka	2,04,535.83 sq. ft.	27.41

Sr. No.	City	Type of Property	Property details	Built up / SBU Area	Consideration (₹ in lakhs)
25	Dehradun	Factory	Khasra No.3946,3961-62, Lal Tappar Industrial Area, Majri Grant, Dehradun-248140, Uttarakhand	1,30,781.51 sq. ft.	91.77
26	Pune	Office	201 B, 2nd Floor, The Orion, 5, Koregaon Road, Pune – 411 001.	5001.55 sq. ft.	141.00

KEY INDUSTRIAL REGULATIONS

The following description is a summary of the relevant regulations and policies applicable to the Company as prescribed by the central and state governments in India.

- **Factories Act, 1948**

  As per the applicable provisions of the Factories Act, 1948 ("Factories Act"), read along-with the Rules framed there under, no person can operate a factory till such time it has obtained a license from the designated authorities under the Factories Act. Generally, registration/license under the said Factories Act is issued on yearly basis and is required to be renewed annually. Factories Act, is a central law which primarily regulates working conditions of workers in factories and to ensure that basic minimum requirements for the safety, health and welfare of factory workers is provided. The Act also regulates the working hours, leave, holidays, overtime, employment of children, women and young person, etc. The Factories Act is applicable to all 'factories'.

- **Compliances under the provisions of various Pollution Control Laws**

  India has a comprehensive environmental protection legal framework comprising three major statutes viz:
  - The Water (Prevention and Control of Pollution) Act, 1974;
  - The Air (Prevention and Control of Pollution) Act, 1981; and
  - The Environment Protection Act, 1986

  In order to achieve the objectives of control, and to abate and prevent pollution, Pollution Control Boards vested with diverse powers have been set up in each state.

  Any establishment intending to operate a factory or manufacturing facility in India is required to obtain prior permission/consent from the appropriate State Pollution Control Board before operating any such unit or factory.

  The approvals /permissions as obtained from the State Pollution Control Board are for the specified period and are required to be renewed from time to time.

- **Industries (Development and Regulation) Act, 1951**

  The Industries (Development and Regulation) Act, 1951 (the "**IDRA Act**") provides for the development and regulation of certain scheduled industries, which are controlled and monitored by the Central Government**.** The IDRA Act was amended by way of a notification dated July 25, 1991 pursuant to which, all industrial undertakings, except for certain industries specifically mentioned therein, have been exempted from procuring a license to carry on their business activities. In terms of this notification, the cement industry has been exempted by the Central Government from obtaining an industrial license. However, the exempted industrial undertaking is required to file an Industrial Entrepreneurs Memorandum with the Secretariat of Industrial Assistance, Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India.

- **Registration under Contract Labour (Regulation & Abolition) Act, 1970**

  The Contract Labour (Regulation and Abolition) Act, 1970 ("CLA Act") is applicable to every establishment in which twenty or more workmen are employed directly or indirectly, on any day in the preceding twelve months as contract labour. The CLA Act aims to abolish the system of contract labour wherever possible and practicable and in other cases to regulate the working conditions of the contract labour so as to ensure timely payment of wages and provision of essential amenities.

  Every establishment covered by CLA Act, if it wants to engage twenty or more persons through a contractor has to get itself registered. CLA Act lays down that every principal employer of an establishment to which CLA Act applies shall make an application to the registering officer in the prescribed manner for registration of the establishment. Likewise, every contractor, to whom the CLA Act applies, is also required to obtain a license and not to undertake or execute any work through contract labour except under and in accordance with the license issued. To ensure the welfare and health of the contract labour, the CLA Act imposes certain obligations on the contractor in relation to establishment of canteens, rest rooms, drinking water, washing facilities, first aid, other facilities and payment of wages. However, in the event the contractor fails to provide these amenities, the principal employer is under an obligation to provide these facilities within a prescribed time period. Penalties, including both fines and imprisonment, may be levied for contravention of the provisions of the CLA Act. It is also important to note that the in case the contractor fails to pay statutory dues to its contract labour, the company may then be held responsible to clear such dues in the capacity as principal employer.

- **Consumer Protection Act, 2019 ("COPRA, 2019")**

  COPRA, 2019 has replaced the earlier Consumer Protection Act, 1986, seeking to provide better protection to the interests of consumers, especially in the digital age and to establish competent authorities for timely and effective administration and settlement of consumer disputes. COPRA, 2019 provides for establishment of a Central Consumer Protection Authority to regulate, amongst other things, matters relating to violation of rights of consumers, unfair trade practices and false or misleading advertisements which are prejudicial to the interests of public and consumers. The key features of the COPRA, 2019 include wider definition of "consumer", enhancement of pecuniary jurisdiction, flexibility in e-filing complaints, imposition of product liability, wider definition of unfair trade practices, and provision for alternative dispute resolution. COPRA, 2019 provides for penalties for, amongst others, manufacturing for sale or storing, selling or distributing or importing products containing adulterants and for publishing false or misleading advertisements. The Consumer Protection (E-Commerce) Rules, 2020, issued under the COPRA, 2019 apply to, amongst other things, goods and services bought or sold over digital or electronic networks, all models of e-commerce and all forms of unfair trade practice across e-commerce models. They specify the duties of sellers, e-commerce entities and inventory e-commerce entities and the liabilities of marketplace e-commerce entities.

- **Hazardous Wastes (Management, Handling and Trans boundary Movement) Rules, 2008 ("Hazardous Wastes Rules")**

  The Hazardous Wastes Rules impose an obligation on every occupier of an establishment generating hazardous waste to recycle or reprocess or reuse such waste in a registered recycler or to dispose of such hazardous wastes in an authorized disposal facility. Every person engaged, *inter alia*, in the generation, processing, treatment, package, storage and destruction of hazardous waste is required to obtain an authorization from the relevant state PCB for collecting, recycling, reprocessing, disposing, storing and treating the hazardous waste.

- **Tax Legislations**

  The tax related laws that are applicable to our Company include the Central Goods and Service Tax Act, 2017, the Income Tax Act, the Income Tax Rules, the Customs Act, 1962, Wealth Tax Act, 1957, Customs Tariff Act, 1975, local body tax in respective states and Finance Act, 1994 and various applicable service tax notifications and circulars.

- **The Legal Metrology Act, 2009 ("Legal Metrology Act")**

  The Legal Metrology Act has replaced the Standards of Weights and Measures Act, 1976 and the Standards of Weight & Measurement (Enforcement) Act, 1985. The Legal Metrology Act seeks to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and for matters connected therewith or incidental thereto. The key features of the Legal Metrology Act are (a) appointment of Government approved test centres for verification of weights and measures; (b) allowing the companies to nominate a person who will be held responsible for breach of provisions of the Legal Metrology Act. Any non-compliance or violation of the provisions of the Legal Metrology Act may result in, among others, a monetary penalty on the manufacturer or seizure of goods or imprisonment in certain cases.

- **Permission for Operation of Diesel Generator Sets under The Indian Electricity Rules, 1956**

  Under the Indian Electricity Rules, 1956, an approval has to be taken for installing diesel generator sets above 10 KW.12.5 KVA.

- **State Tax on Professions, Trade, Callings and Employment**

  Profession tax is levied on every person engaged in any profession, trade, calling or employment and falling under the category described in the Schedule to such Acts, and is payable to the State Government at the rate prescribed from time to time. Profession tax is payable by a company. It is also payable by an employee; however, such a payment is deducted by the employer from the salary of the employee and is paid to the Government.

- **Shops and establishments legislations in various states**

  Under the provisions of local shops and establishments legislations applicable in the states in which establishments are set up, establishments are required to be registered. Such legislations regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of opening and closing hours, daily and weekly working hours, rest intervals, overtime, holidays, leave, health and safety measures, termination of service, wages for overtime work, maintenance of shops and establishments and other rights and obligations of the employers and employees. There are penalties prescribed in the form of monetary fine or imprisonment for violation of the legislations.

  In addition to the above, we are subject to a wide variety of generally applicable labour laws concerning condition of working, benefit and welfare of our labourers and employees such as the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Employees' (Provident Fund and Miscellaneous Provision) Act, 1952.

- **Other Employee Welfare related acts:**

  - Employees' Provident Fund and Miscellaneous Provisions Act, 1952
  - Registration under the Employees' State Insurance Act, 1948
  - Payment of Wages Act, 1936
  - Minimum Wages Act, 1948
  - Payment of Bonus Act, 1965
  - Payment of Gratuity Act, 1972
  - Maternity Benefit Act, 1961

HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was incorporated as Forbes Water Limited on November 26, 2008 under the Companies Act, 1956 with the Registrar of Companies, Mumbai and the name was changed to Forbes Enviro Solutions Limited vide Certificate of Incorporation dated January 12, 2010 issued by the aforesaid Registrar of Companies. Subsequently, the name of the Company was changed to Eureka Forbes Limited pursuant to Scheme of Arrangement and the fresh Certificate of Incorporation was issued by the Registrar of Companies, Mumbai Maharashtra on February 11, 2022. The Corporate Identity Number of our Company is U27310MH2008PLC188478. The Registered Office of the Company is situated at B1/B2, 7th Floor, 701, Marathon Innova, Off. Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400013.

Changes in Registered Office of our Company

The registered office of the Company was changed from Bhupesh Gupta Bhavan, 85, Sayani Road, Prabhadevi, Dadar-West, Mumbai 400 022 to B1/B2, 7th Floor, 701, Marathon Innova, Off Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400013 with effect from March 22, 2012.

Major events in the history of Company

Year	Event
2008	Incorporation of the Company
2016	Merger of Radiant Energy Systems Private Limited and Waterwings Equipments Private Limited into the Company
2022	Pursuant to the Scheme, the health hygiene and safety solutions business division of Erstwhile Eureka Forbes Limited has been demerged in accordance with the Scheme

Main Objects of the Company

The main objects of the Company as per Clause III(A) of the Memorandum of Association are as under:

1. To carry on and conduct the business of Engineers, Founders, Iron Founders, Tool Makers, Brass Founders, Metal workers, Mills wrights, Machinists, Iron and Steel Convertors, Smiths, Wood workers, painters, metallurgists, water supply and water treatment engineers and manufacturers of equipment's for applications involving laser technology and ultrasonic including processes of heat treatment, metalising and reconditioning of machinery, bonding of metal to metal and metal to ceramics and nonmetals.

2. To carry on the business of manufacture, process, import, export, market, sell, lease and deal otherwise in Water Treatment Systems, Sewage Treatment Systems, Erection and Commissioning Services for Water and Waste Water Treatment Plants, Operation and Maintenance Services for Water and Waste Water Treatment Plants, Water Pollution Control Equipments, Bio-Filters and Resource Recovery Systems using Membrane Technology or other Technology, Chemical Based Water Treatment Equipments, Solar Systems, Water. Finishing Equipments, Consumables, Microwave-Ovens, Pots and Pans, Kitchen Utensils and Appliances, Kitchen Hoods, Air Purifiers, Waste Dispensers, Disposers, Incinerators and Refrigeration Equipments.

3. To carry on the business of manufacturing, import, export, buy, sell, trade, process, distributed otherwise deal in all kinds of organic and inorganic foods, products end, drinking products, mineral water, packaged drinking water, soft drinks, aerated mineral water, fruit drinks, artificial flavored drinks, condensed milk and drinking products of all kinds and other consumable provision of every description for human consumption.

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

5. To manufacture, buy, sell, exchange, alter, improve, market, distribute, import or export or otherwise deal in all kinds of water filters, water purifiers or other water purification systems of all types and kinds, and

allied products to suit the needs of all sectors of the society such as domestic, industries, Government, public, private, including manufacturing and processing of home reverse osmosis membrane elements and other related water treatment products.

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

7. 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.

Changes in the activities of our Company since incorporation

There have been no changes in the activities of our Company since incorporation, which may have a material adverse effect on our profits or loss, including discontinuance of our lines of business, loss of agencies or markets and similar factors.

Subsidiary Company

As on date of this Information Memorandum, our Company has the following subsidiaries:

1. Forbes Aquatech Limited
2. Infinite Water Solutions Private Limited
3. Euro Forbes Limited, Dubai
4. Forbes Lux FZE, Dubai

Unless stated otherwise, the details in relation to our Subsidiaries, provided below, are as on date of this Information Memorandum.

1. Forbes Aquatech Limited

Forbes Aquatech Limited was incorporated as a public limited company on September 03, 2003 under the Companies Act 1956 with Registrar of Companies, Bangalore. The Corporate Identity Number (CIN) of the company is U28122KA2003PLC032492. The Registered office of the Company is situated at No. 143, C-4, Bommasandra Industrial Area, Off. Hosur Road, Bengaluru KA 560099. Forbes Aquatech Limited is primarily involved in manufacturing of non-electric water purifier. The equity shares of Forbes Aquatech Limited are not listed on any stock exchange.

Capital Structure

Particulars	Aggregate Nominal Value (₹)
Authorized Share Capital 20,00,000 Equity Shares of face value of ₹ 10 each	2,00,00,000
Issued, Subscribed and paid-up share capital 5,65,050 Equity Shares of face value of ₹ 10 each	56,50,500

Shareholding Pattern

Name of Shareholder	No. of Equity Shares held	Percentage of equity holding (%)
Eureka Forbes Limited	5,00,000	88.49
Filtrex Holdings Pte. Ltd.	65,000	11.50
Vikram Surendran	10	0.00
Govind Bommi	10	0.00
PVK Raman	10	0.00
Suresh L Goklaney	10	0.00

Kavita Gandhi	5	0.00
Dattaram Shinde	5	0.00
Total	**5,65,050**	**100.00**

2. Infinite Water Solutions Private Limited

Infinite Water Solutions Private Limited was incorporated as a private limited company on April 07, 2008 under the Companies Act 1956 with the Registrar of Companies, Mumbai. The Corporate Identity Number (CIN) of the company is U74999MH2008PTC180918. The Registered office of the Company is situated at B1/B2, 7th Floor, 701, Marathon Innova, Off Ganpatrao Kadam Marg, Lower Parel. Mumbai - 400013. Infinite Water Solutions Private Limited is engaged in the business of manufacturing of "Home Reverse Osmosis Membrane Elements" for Domestic use. The Company manufactures RO and NF membranes of various variants which ranges from different prices. The equity shares of Infinite Water Solutions Private Limited are not listed on any stock exchange.

Capital Structure

Particulars	Aggregate Nominal Value (₹)
Authorized Share Capital 70,00,000 Equity Shares of face value of ₹ 10 each	7,00,00,000
Issued, Subscribed and paid-up share capital 70,00,000 Equity Shares of face value of ₹ 10 each	7,00,00,000

Shareholding Pattern

Name of Shareholder	No. of Equity Shares held	Percentage of equity holding (%)
Eureka Forbes Limited	69,99,993	100.00
Eureka Forbes Limited jointly with Marzin R Shroff*	1	0.00
Eureka Forbes Limited jointly with Rajagopalan Sambamoorthy *	1	0.00
Eureka Forbes Limited jointly with Vikram Surendran*	1	0.00
Eureka Forbes Limited jointly with Kavita Gandhi*	1	0.00
Eureka Forbes Limited jointly with Dattaram P Shinde*	1	0.00
Eureka Forbes Limited jointly with Shashank Sinha*	1	0.00
Eureka Forbes Limited jointly with Binaifer Khanna*	1	0.00
Total	**70,00,000**	**100.00**

(*) as a nominee of Eureka Forbes Limited

3. Euro Forbes Limited, Dubai

Euro Forbes Limited was incorporated as Offshore Company on April 12, 2011 under the offshore Companies regulations of Jebel Ali Free Zone of 2003 with the Registration Number is 145214. Presently the Registered office of the Company is situated at Suite 408, BB11, Bay Square, Business Bay, P.O. Box 118767, Dubai, Unites Arab Emirates with effect from September 18, 2018. The Registered office of the company was changed from 409, City Tower I, Sheikh Zayed Road, P.O. Box 118767, Dubai, United Arab Emirates to 1003, Khalid Al Attar Tower, Sheikh Zayed Road, P.O. Box 71241, Dubai, United Arab Emirates. Euro Forbes Limited is an investment arm of Eureka Forbes Limited which further invests in its wholly owned subsidiary 'Forbes Lux FZE'. The shares of Euro Forbes Limited are not listed on any stock exchange.

Capital Structure

Particulars	Aggregate Nominal Value (AED)
Authorized Share Capital 3,61,000 Equity Shares of face value of AED 1000/- each	36,10,00,000
Issued, Subscribed and paid-up share capital 3,57,765Equity Shares of face value of AED 1000/- each	35,77,65,000

Shareholding Pattern

Name of Shareholder	No. of Equity Shares held	Percentage of equity holding (%)
Eureka Forbes Limited	3,57,765	100.00

4. **Forbes Lux FZE**

Forbes Lux FZE is a free zone limited liability company incorporated in the Jebel Ali Free Zone, Dubai, United Arab Emirates pursuant to law No. 2, of 1986 and implementing Rules and Regulations issued there under by the Jebel Ali Free Zone Authority with Euro Forbes Limited (EFL), UAE and Forbes Lux International AG, Switzerland at its shareholders. The name of the Company was changed from Forbes Lux FZCO to Forbes Lux FZE. The company's registered address and place of business is Office No. LB17207, P.O. Box 261698, Jebel Ali Dubai, United Arab Emirates. The shares of Forbes Lux FZE are not listed on any stock exchange. Eureka Forbes Limited became the single shareholder of Forbes Lux FZE on January 12, 2022.

Forbes Lux FZE is operating under the trade license number 106894 with distribution of cookers and cook stoves, refrigerators, washing machines and household electrical appliances, water heaters, filters and purifications devices, electrical and electronics appliances and spare parts as its licensed activity.

Capital Structure

Particulars	Aggregate Nominal Value AED
Authorized Share Capital 1,632 Equity Shares of face value of AED 100,000 each (USD 1 converted @ AED 3.6707)	4,44,60,498
Issued, Subscribed and paid-up share capital 1,632 Equity Shares of face value of AED 100,000 each (USD 1 converted @ AED 3.6707)	4,44,60,498

Shareholding Pattern

Name of Shareholder	No. of Equity Shares held	Percentage of equity holding (%)
Euro Forbes Limited, Dubai	1,632	100.00
Total	**1,632**	**100.00**

Associate Company
We do not have any associate company as on the date of this Information Memorandum.

Strategic Partners / Joint Venture
We do not have any strategic partner or joint venture as on the date of the Information Memorandum.

Financial Partners
As on the date of the Information Memorandum, we do not have any other financial partners.

Material agreements

There is no subsisting material agreement entered by our Company since incorporation other than in the ordinary course of business. Further, there is no agreement entered into by a Key Managerial Personnel or Director or Promoter or any employee of our Company, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with the dealings in the securities of our Company.

Composite Scheme of Arrangement

For details of Composite Scheme of Arrangement, refer to page section titled "Scheme of Arrangement" on page 39 of the Information Memorandum.

Share Purchase Agreement

The Board of Directors of Forbes & Company Limited, (the "Demerged Company" under the Composite Scheme of Arrangement) has, in its Board Meeting held on September 19, 2021, approved the execution of a Share Purchase Agreement ("SPA") with Lunolux Limited (an entity ultimately owned and controlled by funds managed by Advent International Corporation), a company incorporated and registered under the laws of Cyprus, and having its registered office at 23, Kennedy Avenue, Globe House, Ground and First Floor, 1075, Nicosia, Cyprus alongwith Shapoorji Pallonji and Company Private Limited (the "Seller"), Forbes Campbell Finance Limited, Forbes & Company Limited, Erstwhile Eureka Forbes Limited and the Company, for the acquisition by Lunolux Limited of a majority stake in the health and safety solutions business of Erstwhile Eureka Forbes Limited. Upon listing of the Company, Lunolux Limited along with persons acting in concert with it, will trigger a mandatory open offer in terms of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (as amended from time to time) ("**SEBI Takeover Regulations**"). Pursuant to the terms of the SPA, Lunolux Limited will purchase up to 72.56% of the Company's then outstanding Equity Shares ("Sale Shares") on a fully diluted basis from the Seller. The transaction is subject to closing conditions and receipt of relevant statutory and regulatory approvals.

Lunolux Limited is ultimately controlled and owned by funds managed by Advent International Corporation.

The key terms of the Share Purchase Agreement dated September 19, 2021 is as under:

- The Share Purchase Agreement sets forth the terms and conditions agreed amongst Lunolux Limited, Shapoorji Pallonji and Company Private Limited (the "Seller"), Forbes Campbell Finance Limited, Eureka Forbes Limited, Forbes & Company Limited, and the Company and their respective rights and obligations.

- The transaction values Eureka Forbes Limited at an enterprise value of INR 4,400 crores, subject to closing adjustments;

- The transactions under the SPA will be undertaken in two tranches:

    - Lunolux Limited will acquire 63.86% of the equity share capital of the Company from the Seller ("**Tranche 1 Sale Shares**"), in accordance with the terms and conditions set out in the SPA and the provisions of the SEBI Takeover Regulations ("**Tranche 1**");

    - If, after taking into consideration the number of Equity Shares acquired under Tranche 1 pursuant to the SPA, and the number of Equity Shares validly tendered and acquired under the Open Offer, Lunolux Limited holds less than 74.90% of the equity share capital of the Company, Lunolux Limited will acquire such number of Equity Shares of the Company from the Seller, such that after such further acquisition, the shareholding of Lunolux Limited in aggregate shall be no greater than 74.90% of the equity share capital of the Company ("**Tranche 2 Sale Shares**"), in accordance with the terms and conditions set out in the SPA ("**Tranche 2**").

- Upon the listing of the Company on BSE Limited, Lunolux Limited, along with persons acting in concert with it, shall trigger an open offer to acquire up to 26% of the voting share capital of our Company from its public shareholders ("**Open Offer**"), in accordance with Regulations 3(1) and Regulation 4 of the SEBI SAST Regulations.

- Upon consummation of Tranche 1, Lunolux Limited will acquire and exercise control of and over the Company and become the promoter of the Company and M/s Shapoorji Pallonji and Company Private Limited and Forbes Campbell Finance Limited shall cease to be in control over the Company and its subsidiaries and they will no longer continue to be the 'promoters' of the Company. It is the intention of the parties that M/s Shapoorji Pallonji and Company Private Limited and Forbes Campbell Finance Limited shall be reclassified as a 'public shareholder' of the Company after the consummation of the transaction, in accordance with Regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- On consummation of Tranche 1, specific non-executive directors of the Company, as may be identified by Lunolux Limited, shall resign from the Board of our Company.

- [The consummation of Tranche 1, is subject to the fulfilment of the conditions precedent as specified in the Share Purchase Agreement, including the following key conditions precedent:
  - the required statutory approvals having been obtained;
  - No Material Adverse Effect (*as defined in the SPA*) having occurred;
  - Completion of the allotment of the Sale Shares of the Company to the Seller, the listing of the Equity Shares of the Company on BSE Limited having been completed, and the Company having received trading and listing approval from BSE Limited;
  - Representations and warranties of the Seller being true in all respects as of the date of completion of Tranche 1, and there being no breach of material covenants;
  - There being no order of any governmental authority passed against the Company Group (*as defined in the SPA*) or any change in applicable law affecting the Company Group that restrains or prohibits consummation by the Company Group of the transactions contemplated by the SPA; and
  - Full release of encumbrance over the Tranche 1 Sale Shares.

- The consummation of Tranche 2, is subject to the fulfilment of the conditions precedent as specified in the Share Purchase Agreement, including the following key conditions precedent:
  - Lunolux Limited shall have completed the Open Offer, and paid the consideration to the public shareholders of the Company who have validly tendered their Equity Shares in the Open Offer;
  - The number of Equity Shares of the Company to be purchased by Lunolux Limited in Tranche 2 shall not be zero;
  - There are no orders or directions from governmental authorities or any change in applicable law which will prevent the completion of Tranche 2;
  - The representations and warranties of the Seller, to the extent applicable to Tranche 2, shall be true and correct as of the date of completion of Tranche 2; and
  - Full release of encumbrance over the Tranche 2 Sale Shares.

- The offer price payable by Lunolux Limited to meeting their obligation under the SEBI Takeover Regulations shall be payable in cash.

OUR MANAGEMENT

As per the provisions of Companies Act, 2013, we shall not have less than 3 and more than 15 Directors on our Board of Directors. The following table sets forth certain details regarding the Board of Directors as on the date of the Information Memorandum:

Sr. No.	Name, Designation, Father's Name, DOB, DIN, Address, Occupation, Date of appointment, Term	Nationality	Age (Yrs)	Directorships in other Companies
1.	**Mr. Homi Adi Katgara** Chairman – Non-Executive Independent Director S/o Sh. Adi Jehangirji Katgara DOB: October 11, 1963 DIN: 00210338 Address: 4007, The Imperial, North Tower, B.B. Nakashe Marg, Tardeo, Mumbai – 400 034 Occupation: Business Date of appointment: January 31, 2022 Term: Upto ensuing Annual General Meeting	Indian	58	• Inspection And Quality Control Private Limited • Watermaker (India) Private Limited • Asho Realty Private Limited • Setconnect E-Commerce & Multi Services Private Limited • Schnellecke – Jeena Logistics India Private Limited • Trail Blazer Tours India Private Limited • Jeena Criticare Logistics Private Limited • MSE Forwarders India Private Limited • Allport Cargo Private Limited • Aviapro Logistic Services Private Limited • Jeena And Company Private Limited • Kales Airline Services India Private Limited • Quantum Trustee Company Private Limited • A&N Ventures Private Limited • Silver Complex Private Limited • Tanzanite Properties Private Limited • Crystal Complex Private Limited • Jeena Scriptech Alpha Advisors Private Limited
2.	**Mr. Marzin Roomi Shroff** Managing Director & CEO S/o Sh. Roomi Shroff DOB: September 23, 1965 DIN: 00642613 Address: 201, GAI Building, 647 B, Khareghat Road, Dadar (East), Mumbai – 400 014 Occupation: Professional Date of appointment: November 26, 2008 Term: Upto March 2022	Indian	56	• Forbes Facility Services Private Limited
3.	**Mr. Shapoorji Pallonji Mistry** Non-Executive Non-Independent Director S/o Sh. Pallonji Shapoorji Mistry DOB: September 06, 1964 DIN: 00010114 Address: 3 ET N. 32 La Reserve Bloe A, 5, Avenue, Princesse Grace, 98000 Monaco, France Occupation: Business Date of appointment: January 31, 2022 Term: Upto ensuing Annual General Meeting	IE	57	• Forbes & Company Limited • Shapoorji Pallonji Oil And Gas Private Limited • Sovereign Pharma Private Limited • Shapoorji Pallonji And Company Private Limited • Pallonji Shapoorji And Company Private Limited • Afcons Infrastructure Limited • Cyrus Investments Private Limited • Shapoorji Pallonji Finance Private Limited • Shapoorji Pallonji Infrastructure Capital Company Private Limited • Sterling Investment Corporation Private Limited • Kaisha Lifesciences Private Limited
4.	**Mr. Pallon Shapoorji Mistry**	IE	30	• Sterling And Wilson Renewable Energy

Sr. No.	Name, Designation, Father's Name, DOB, DIN, Address, Occupation, Date of appointment, Term	Nationality	Age (Yrs)	Directorships in other Companies
	Non-Executive Non-Independent Director S/o Sh. Shapoorji Pallonji Mistry DOB: March 12, 1992 DIN: 05229734 Address: Sterling Bay 103, Walkeshwar Road, Malabar Hills, Mumbai – 400 006 Occupation: Business Date of appointment: January 31, 2022 Term: Upto ensuing Annual General Meeting			Limited • Shapoorji Pallonji Oil And Gas Private Limited • Sterling And Wilson Private Limited • Shapoorji Pallonji And Company Private Limited • Afcons Infrastructure Limited • Forvol International Services Limited • Imperial College India Foundation • Roxanna Consultancy Services Private Limited
5.	**Mr. Jai Laxmikant Mavani** Non-Executive Non-Independent Director S/o Sh. Laxmikant Manilal Mavani DOB: September 04, 1971 DIN: 05260191 Address: 1702, Building 5, Raheja Classique, New Link Road, Andheri West, Mumbai – 400 053 Occupation: Service Date of appointment: January 31, 2022 Term: Upto ensuing Annual General Meeting	Indian	50	• Forbes & Company Limited • Shapoorji Pallonji Oil And Gas Private Limited • Forbes Technosys Limited • Simar Port Private Limited • Shapoorji Pallonji And Company Private Limited • Superbon Hospitality Ventures Private Limited • Gopalpur Ports Limited • PNP Maritime Services Private Limited • Shapoorji Pallonji Finance Private Limited • Shapoorji Pallonji Infrastructure Capital Company Private Limited • SP Port Maintenance Private Limited • Shapoorji Pallonji Renewables Private Limited
6.	**Mr. Shankar Krishnan Subramanian** Non-Executive Non-Independent Director S/o Sh. Krishnan Subramanian DOB: March 19, 1970 DIN: 03316009 Address: A-405, Ashok Gardens, Tower 1, G.D. Ambekar Marg, Parel Tank Road, Sewree, Mumbai – 400 015 Occupation: Service Date of appointment: January 31, 2022 Term: Upto ensuing Annual General Meeting	Indian	52	• SP Armada Oil Exploration Private Limited • Shapoorji Pallonji Bumi Armada Offshore Private Limited • Shapoorji Pallonji Oil and Gas Godavari Private Limited • Shapoorji Pallonji Bumi Armada Godavari Private Limited • Next Gen Publishing Private Limited • Sterling and Wilson Enelxe-Mobility Private Limited • Shapoorji Pallonji Armada Oil and Gas Services Private Limited • SP Jammu Udhampur Highway Limited • Gopalpur Ports Limited • Arena Stud Farm Private Limited • Manor Stud Farm Private Limited • Shapoorji Pallonji Investment Advisors Private Limited
7.	**Dr. (Mrs.) Indu Ranjit Shahani** Non-Executive Independent Director D/o Sh. Hashmatrai Choitram Malkani DOB: July 17, 1951 DIN: 00112289 Address: 56, Hill Park, Dr. A.G.Bell Road, Malabar Hill, Mumbai – 400 006 Occupation: Professional Date of appointment: January 31, 2022 Term: Upto ensuing Annual General Meeting	Indian	70	• United Spirits Limited • Clariant Chemicals (India) Limited • Colgate-Palmolive (India) Limited • Bajaj Electricals Limited • Octopus Steel Private Limited • HSBC Asset Management (India) Private Limited • The Advertising Standards Council of India • Lighthouse Learning Private Limited

Sr. No.	Name, Designation, Father's Name, DOB, DIN, Address, Occupation, Date of appointment, Term	Nationality	Age (Yrs)	Directorships in other Companies
8.	**Mr. Anil Vasudev Kamath** Non-Executive Independent Director S/o Sh. Mundkur Vasudev Kamath DOB: December 29, 1950 DIN: 00015706 Address: B/1802, Floor-18, B Wing, Ansal Heights, G M Bhosale Marg, Worli Naka Junction, Worli, Mumbai – 400 018 Occupation: Professional Date of appointment: January 31, 2022 Term: Upto ensuing Annual General Meeting	Indian	71	• Infigo Lifesciences Private Limited • Asian Institute of Oncology Private Limited
9.	**Mr. Sivanandhan Dhanushkodi** Non-Executive Independent Director S/o Sh. P Dhanushkodi DOB: February 03, 1951 DIN: 03607203 Address: 1803 B, Ashok towers, Dr. Babasaheb Ambedkar Road, Parel, Mumbai – 400 012 Occupation: Professional Date of appointment: January 31, 2022 Term: Upto ensuing Annual General Meeting	Indian	71	• United Spirits Limited • Forbes & Company Limited • Inditrade Capital Limited • Kirloskar Industries Limited • S D Fine-Chem Limited • Ashok Leyland Defence Systems Limited • Arka Fincap Limited • Arka Financial Holdings Private Limited • Seventeen Events Private Limited • Ccure Ongo Private Limited • Securus First Digital Services Private Limited • Securus First India Private Limited

Brief Profile of Directors

Mr. Homi Adi Katgara, aged around 58 years, is the youngest of the fourth generation of the founding family which established Jeena & Company 122 years ago, making them the pioneers of Freight Forwarding in India.

During his tenure of nearly thirty-two years in the forwarding industry, Mr. Katgara has been actively involved in the day to day management of the Company. He is also a Partner and a Director in various group Companies. Mr. Katgara, is a Trustee at Masina Hospital, one of the oldest and most venerated institutions of Bombay. He 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.

Mr. Marzin Roomi Shroff, aged around 56 years, holds a Chartered Marketer from the Chartered Institute of Marketing, UK, and an MBA in Marketing. In a career spanning almost three decades, Marzin has acquired multi-dimensional experience in Direct Selling, Digital, Advertising, Strategy, Luxury Branding & International Business. His responsibility at Eureka Forbes is 'Thought Leadership', 'Talent Leadership', and 'Brand Leadership'. Marzin is responsible for cultivating talent, as well as nurturing Brands such as "Aquaguard", and "Euroclean". Marzin's contribution to the improvement in water quality (internationally) has been recognised by Water Quality Association USA by awarding him with 'International Award of Merit'.

Marzin has a passion for Jazz and travelling. His life purpose is to make a positive impact in the lives of those he touches.

Mr. Shapoorji Pallonji Mistry, aged around 57 years, is a graduate in Business Studies and Marketing from London and joined the Shapoorji Pallonji Group in 1988 as a Director. He spearheaded the group's foray into the

Real Estate business in 1992 and, in just over a decade, has transformed it into a multi city, diversified asset class business with over 70 million square feet of real estate space under development. The Imperial Tower – the tallest and premium residential property developed by the Real Estate business, has won a record seven awards at prestigious Asia Pacific Property Awards. As Chairman of Forbes & Company Limited, Gokak Textiles Limited and erstwhile Eureka Forbes Ltd., Mr. Mistry has helped the group scale new height in consumer water treatment, home cleaning, security systems, FPSO, shipping and logistics and bank transaction management verticals. He is a noted philanthropist and has been associated with a number of charities concerning health care (trustee of the Masina Hospital, Dadysett Charity Trust and Manockjee Cowasjee Petit Charities trusts) and education (member of The Duke of Edinburgh's Awards World Fellowship, U.K).

Mr. Pallon Shapoorji Mistry, aged around 30 years, is the Director of Shapoorji Pallonji and Company Pvt Limited (SPCPL), a diversified conglomerate with significant global presence in Engineering & Construction, Infrastructure, Real Estate, Water, Energy and Financial Services. He holds a master's degree in strategic management from Imperial College, London and has a penchant for new technology. He is focused towards building an agile organisation that aspires for sustainable growth. Pallon imbibes the family values of honesty, quality and hard work. He believes that successful businesses are built on trust and collaboration. A balanced approach and strong business orientation empower him to provide valuable inputs to the boards across group companies.

Mr. Jai Laxmikant Mavani, aged around 50 years, is a commerce graduate from Sydenham College, University of Mumbai. He has completed his Chartered Accountant from ICAI. Jai started his career with Arthur Andersen in 1992 and has subsequently worked with KPMG and most recently with PwC where he headed the Infrastructure and Real Estate practice. In KPMG, he was the youngest partner to be elevated to the National Executive Team and headed the Infrastructure, Government & Healthcare business. His industry specialization includes Infrastructure, Real Estate and Private Equity. His skill sets include Merger &Amalgamation, tax & regulatory and private equity fund structuring. Through his career spanning over two decades, he has advised several large MNC's, funds and Indian corporate houses. He also led teams which helped several India-centric companies to list on overseas markets including AIM in London. Presently with Shapoorji Pallonji Group as Group Executive Director and he is a part of the Group Centre which is an advisory to the Promoters. He looks after all the financial and business development initiatives.

Mr. Shankar Krishnan Subramanian, aged around 52 years, is Group Head - Strategy of the Shapoorji Pallonji Group. He is responsible for driving the Group's strategic growth agenda, for which he works in close coordination with the Promoter, his peers in the Group Centre, and the leadership teams of the Group's diverse businesses. His role includes institutionalization of processes related to strategy formulation and implementation within Group businesses, as also assistance in the incubation of new businesses within the Group. Shankar also serves on the Boards and Management Boards of select companies and business divisions of the SP Group. Shankar graduated with a B.E (Honors) in Civil Engineering from VJTI (Mumbai University) and was a recipient of the J.N. Tata Endowment scholarship. He worked for a year with Tata Consulting Engineers, an engineering consultancy, upon completing his engineering. He then obtained an MBA at the Indian Institute of Management Ahmedabad (IIMA), majoring in Business Policy and Finance. Prior to joining the Shapoorji Pallonji Group, Shankar worked for 15+ years in the management consulting practice of Accenture (formerly Andersen Consulting). He has worked with clients in diverse industries, in strategy formulation and execution, organizational change management and operational improvement. While a significant part of his consulting experience was in India, he has also worked in the Middle East and in South-east Asia.

Dr. (Mrs.) Indu Ranjit Shahani, aged around 70 years, is currently the Founding President & Chancellor of Atlas SkillTech University. Ex-Principal of H.R. College of Commerce & Economics was Member of University Grants Commission; and was appointed Sheriff of Mumbai for 2008 and 2009. As the Sheriff of Mumbai, she launched the 1298 Women's Helpline against domestic violence and harassment with the help of leading NGO's. Dr. (Mrs.) Indu Shahani has over three decades of teaching experience at the college and university level where she has played the lead role in nurturing managers with a heart, through student - empowered teaching- learning model. Dr. (Mrs.) Indu Shahani has been nominated on leading boards of large national and global companies that has provided an impetus for 'academia - industry collaborations' the subject of her PhD from University of Mumbai. She was awarded the Honorary Doctor of Letters degree by the University of Westminster in London on November 16, 2009. Dr. Shahani is a Visiting Faculty Member at the UC Berkeley, NYU Stern, USA and she is a Lead Speaker at various conferences in India and abroad.

Mr. Anil Vasudev Kamath, aged around 71 years, is a Hon's graduate in Commerce and Fellow of the Institute of Chartered Accountants of India and an Alumnus of the Executive Program of Michigan Business School, Ann Arbor, USA. He is also Member of the Chartered Management Institute UK, the Royal Society of Public Health UK, and the All India Management Association. Currently, Mr. Kamath is Founder Chairman of Esemcee Advisors, a strategic advisory firm in the field of healthcare especially hospitals. Mr. Kamath has a wealth of 48 years of diverse experience having headed several key portfolios including Finance, Information Technology, Legal, Secretarial & Taxation, Procurement and Business Development at the Wockhardt Group, Unichem Laboratories and Blue Star. He specially drove the strategic planning function at Blue Star having trained under world renowned management Guru, Dr C K Prahalad during his program at Michigan Ann Arbor.

Mr. Sivanandhan Dhanushkodi, aged 71 years, is a Post Graduate in Economics and holds a Masters in Arts degree from University of Madras. Mr. D. Sivanandhan is one of the most highly regarded IPS officers in India, with an illustrious career spanning several postings during his 35 years of service. Mr. D. Sivanandhan has dedicated his life to the eradication of corruption and organised crime and is renowned for his use of strategy and intelligence to uphold the rule of law. Mr. Sivanandhan retired as a DGP of Maharashtra State Police in 2011. Mr. D. Sivanandhan has held several senior positions in Intelligence Bureau, Central Bureau of Investigation and Mumbai Crime Branch and has also served as Commissioner of Police of Nagpur, Thane city and Mumbai. Mr. Sivanandhan has been awarded the Meritorious Service Medal (1993), the President's Distinguished Service Medal (2000) and also the Internal Security Medal (1998). In 2017, Mr. D. Sivanandhan was a member of the special task force in the National Security Council Secretariat (Prime Minister's Office) for revamping India's internal and external national security measures. Mr. Sivanandhan was a security advisor to the Reserve Bank of India for three years, and is on the Board of several prestigious companies. Mr. Sivanandhan is now the Chairman of Securus First India Private Limited, a security consultancy company started by him. Mr. Sivanandhan is founder of Roti Bank Mumbai, an NGO feeding the poor and has served over 7.8 million meals in three years. Mr. Sivanandhan has also co-authored a National best seller titled "Chanakya's seven secrets of leadership".

Relationship between the Directors

Except as under, none of the Directors are related to each other:

Name of Director	Related to	Nature of relationship
Shapoorji Pallonji Mistry	Pallon Shapoorji Mistry	Father

None of our Directors, have held or are holding directorships in any listed companies whose shares have been or were suspended from being traded on the BSE and / or the NSE or whose shares have been or were delisted from the stock exchange(s). We also confirm that:

- we have not entered into any arrangement or understanding with our major shareholders, customers, suppliers or others, pursuant to which our Director were selected as Director or member of Senior Management.
- We have not entered into any service contracts with our Managing Director / Whole Time Director which provide for any benefit upon termination of employment.

Remuneration of our Directors

Our Company is not paying any remuneration to the Directors of the Company. However, Non-executive Directors are entitled for a sitting fee of Rs. 20,000/- for every Board meeting and Committee meeting attended by them w.e.f. February 01, 2022. Independent Directors are entitled for Rs. 1,00,000/- for every Board meeting and Rs. 50,000/- for every committee meeting attended by them.

Remuneration to Managing Director & CEO

Pursuant to the provisions of Section 197 and Schedule V of the Companies Act, 2013, remuneration payable to Mr. Marzin Roomi Shroff for the FY 2021-22 is as follows:

Particulars	Amount (in Rs.)

Period of Remuneration	01-04-2021 to 31-01-2022*	01-02-2022 to 31-03-2022 ^	01-04-2021 to 31-03-2022
Salary & Perquisites	1,33,00,000	26,60,000	1,59,60,000
Other- Employer Contribution to provident and other funds	17,95,500	3,59,100	21,54,600
Commission	Refer Note #		
Total	**1,50,95,500**	**30,19,100**	**1,81,14,600**

Notes:

* As MD & CEO of Erstwhile Eureka Forbes Limited

^ As MD & CEO of Eureka Forbes Limited (formerly Forbes Enviro Solutions Limited)

As per the terms of employment and subject to the overall ceiling prescribed in Section 197 of the Companies Act, 2013, Mr. Marzin Roomi Shroff based on the net profits of the Company for each financial year, is entitled for annual commission of such amount as may be approved by the Board at its absolute discretion.

Borrowing Powers of the Board

Our Articles of Association, subject to applicable law, authorize our Board to raise or borrow money or secure the payment of any sum or sums of money for the purposes of our Company. Pursuant to a special resolution passed on January 31, 2022, our shareholders in their Extra Ordinary General Meeting authorized our Board to borrow from time to time such sums of money as may be required under Section 180(1)(c) of Act, provided that such amount shall not exceed ₹ 500 crores.

Corporate Governance

Applicable provision of the Act with respect to corporate governance and the provisions of the SEBI (LODR) Regulations, 2015, as amended from time to time, will be applicable to our Company upon the listing of the Equity Shares with the Stock Exchanges in India.

Our Company is in compliance with the corporate governance code in accordance with Act, SEBI (LODR) Regulations, as amended from time to time, particularly those relating to composition of Board of Directors and constitution of committees thereof. The corporate governance framework is based on an effective independent Board, separation of the Board‘s supervisory role from the executive management team and constitution of the Board Committees, as required under law. Our Board has been constituted in compliance with the Companies Act and the SEBI Listing Regulations. The Board functions either as a full board, or through various committees constituted to oversee specific operational areas.

Composition of Board of Directors

Currently, the Board of Directors of our Company has an optimum combination of executive and non-executive Directors as envisaged in accordance with Act and SEBI (LODR) Regulations. Our Board has 9 Directors, comprising of 4 Independent Directors (including one woman Director) and 5 Non-Independent Directors. Our Company has constituted the following Committees in compliance with the corporate governance norms:

1. Audit Committee

The Audit Committee was constituted by our Board in their meeting held on January 31, 2022 in accordance with the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI LODR Regulations. The Audit Committee presently comprises of:

Sr. No.	Name of Member	Designation	Remarks
1.	Mr. Anil Vasudev Kamath	Chairperson	Independent Director
2.	Mr. Marzin Roomi Shroff	Member	Managing Director and CEO
3.	Dr. (Mrs.) Indu Ranjit Shahani	Member	Independent Director

4.	Mr. Sivanandhan Dhanushkodi	Member	Independent Director

The Company Secretary of our Company shall act as a Secretary to the Audit Committee. The Chairman of the Audit Committee shall attend the Annual General Meeting of our Company to answer shareholder queries. The scope and function of the Audit Committee and its terms of reference shall include the following:

(1) oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
(2) the recommendation for appointment, remuneration and terms of appointment of Statutory Auditor, Cost Auditor, Secretarial Auditor and any person to carry other audit activities of the Company;
(3) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
(4) reviewing, with the 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 Companies Act, 2013;
    (b) changes, if any, in accounting policies and practices and reasons for the same;
    (c) major accounting entries involving estimates based on the exercise of judgment by management;
    (d) significant adjustments made in the financial statements arising out of audit findings;
    (e) compliance with listing and other legal requirements relating to financial statements;
    (f) disclosure of any related party transactions;
    (g) modified opinion(s) in the draft audit report;
(5) reviewing, with the management, the quarterly financial statements before submission to the board for approval;
(6) 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 utilized 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;
(7) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
(8) approval, omnibus approval or any subsequent modification of transactions of the Company with related parties;
(9) scrutiny of inter-corporate loans and investments;
(10) valuation of undertakings or assets of the Company, wherever it is necessary;
(11) evaluation of internal financial controls and risk management systems;
(12) monitoring the end use of funds raised through public offers and related matters;
(13) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
(14) reviewing the adequacy of 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;
(15) discussion with internal auditors of any significant findings and follow up there on;
(16) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
(17) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
(18) 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;
(19) to review the functioning of the whistle blower mechanism;
(20) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
(21) Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc. on the Company and its shareholders;
(22) In addition the Audit Committee shall mandatorily review all the information and perform all roles and responsibilities mentioned in Part C (B) of Schedule II to SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 as amended from time to time; and

(23) Carrying out any other functions or duties as prescribed under Section 177 or other applicable provisions of the Companies Act, 2013 and rules framed thereunder and the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 or as may be entrusted by the Board from time to time.

Further, the Audit Committee shall mandatorily review the following:

a) Management discussion and analysis of financial condition and results of operations;
b) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
d) Internal audit reports relating to internal control weaknesses; and
e) The appointment, removal and terms of remuneration of the chief internal auditor
f) Statement of deviations:
   - Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
   - Annual statement of funds utilized for purposes other than those stated in the offer document/draft red herring prospectus/notice in terms of Regulation 32(7).

2. Nomination and Remuneration Committee

The Nomination and Remuneration Committee was constituted by our Board in their meeting held on January 31, 2022 in accordance with the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI LODR Regulations. The Nomination and Remuneration Committee presently comprises of:

Sr. No.	Name of Member	Designation	Remarks
1.	Dr. (Mrs.) Indu Ranjit Shahani	Chairperson	Independent Director
2.	Mr. Homi Adi Katgara	Member	Independent Director
3.	Mr. Shapoorji Pallonji Mistry	Member	Non Executive Non Independent Director

The Company Secretary of our Company shall act as a Secretary to the Nomination and Remuneration Committee.

The role of the Nomination and Remuneration Committee shall include the following:

(1) Identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall specify the manner for effective evaluation of performance of Board, its committees and individual Directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance;
(2) Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees.
(3) Ensure that—
   (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the company successfully;
   (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
   (c) remuneration to Directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals:
(4) For every appointment of an independent director, evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director and may:
   (a) use the services of an external agencies, if required;
   (b) consider candidates from a wide range of backgrounds, having due regard to diversity; and
   (c) consider the time commitments of the candidates.
(5) formulation of criteria for evaluation of performance of independent directors and the board of directors;
(6) devising a policy on diversity of board of directors;

(7) 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.
(8) 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.
(9) recommend to the board, all remuneration, in whatever form, payable to senior management.
(10) Carrying out any other functions or duties as prescribed under Section 178 or other applicable provisions of the Companies Act, 2013 and rules framed thereunder and the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 or as may be entrusted by the Board from time to time.

3. Stakeholder's Relationship Committee

The Stakeholder's Relationship Committee was constituted by our Board in their meeting held on January 31, 2022 in accordance with the requirements of Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI LODR Regulations. The Stakeholder's Relationship Committee presently comprises of:

Sr. No.	Name of Member	Designation	Remarks
1.	Mr. Sivanandhan Dhanushkodi	Chairperson	Independent Director
2.	Mr. Marzin Roomi Shroff	Member	Managing Director and CEO
3.	Mr. Jai Laxmikant Mavani	Member	Non Executive Non Independent Director

The Company Secretary of our Company shall act as a Secretary to the Stakeholders Relationship Committee. The scope and function of the Stakeholders Relationship Committee and its terms of reference shall include the following:

(1) look into various aspects of interest of shareholders, debenture holders and other security holders;
(2) Resolving the grievances of the shareholders of the Company including complaints related to non-receipt of annual report, non-receipt of declared dividends, issue of new and/or duplicate certificates, general meetings etc.;
(3) Reviewing on a periodic basis the approval of transfer or transmission of shares, debentures or any other securities made by the Registrar and Share Transfer Agent;
(4) Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
(5) Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company; and
(6) Carrying out any other functions or duties as prescribed under Section 178 and other applicable provisions of the Companies Act, 2013 and rules framed thereunder and the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 or as may be entrusted by the Board from time to time.

4. Risk Management Committee

The Risk Management Committee was constituted by our Board in their meeting held on January 31, 2022. The Risk Management Committee presently comprises of:

Sr. No.	Name of Member	Designation	Remarks
1.	Mr. Marzin Roomi Shroff	Chairperson	Managing Director and CEO
2.	Mr. Sivanandhan Dhanushkodi	Member	Independent Director
3.	Dr. (Mrs.) Indu Ranjit Shahani	Member	Independent Director
4.	Mr. Anil Vasudev Kamath	Member	Independent Director
5.	Mr. Vikram Surendran	Member	Senior Management Personnel
6.	Mr. Rajagopalan Sambamoorthy	Member	Senior Management Personnel

The scope and function of the Risk Management Committee and its terms of reference shall include the following:

(1) monitoring and reviewing of the risk management plans, cyber security and such other functions as it may deem fit;
(2) seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise
(3) 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 financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks 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.
(4) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
(5) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
(6) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
(7) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
(8) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.
(9) To coordinate its activities with other committees
(10) Carrying out any other functions or duties as prescribed under applicable provisions of the Companies Act, 2013 and rules framed thereunder and the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 or as may be entrusted by the Board from time to time.

5. CSR Committee

The CSR Committee was constituted by our Board in their meeting held on January 31, 2022. The CSR Committee presently comprises of:

Sr. No.	Name of Member	Designation	Remarks
1.	Dr. (Mrs.) Indu Ranjit Shahani	Chairperson	Independent Director
2.	Mr. Marzin Roomi Shroff	Member	Managing Director and CEO
3.	Mr. Homi Adi Katgara	Member	Independent Director
4.	Mr. Sivanandhan Dhanushkodi	Member	Independent Director

The scope and function of the CSR Committee and its terms of reference shall include the following:

(1) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company in areas or subject, specified in Schedule VII of the Companies Act, 2013;
(2) recommend the amount of expenditure to be incurred on the activities referred above;
(3) monitor the Corporate Social Responsibility Policy of the company from time to time;
(4) ensure that the activities as are included in Corporate Social Responsibility Policy of the company are undertaken by the company;
(5) Carrying out any other functions or duties as prescribed under Section 135 or other applicable provisions of the Companies Act, 2013 and rules made thereunder as amended from time to time or as may be entrusted by the Board from time to time.

Interests of Directors

1. Directors of our Company may be deemed to be interested only to the extent of any remuneration payable to them as per the terms of their appointment or the fees, if any, payable to them for attending meetings of the Board or committees thereof as well as to the extent of reimbursement of expenses payable to them.

2. Mr. Sivanandhan Dhanushkodi has entered into a Consultancy and Service Agreement dated April 01, 2021 with erstwhile Eureka Forbes Limited for a period of one year, which upon the Scheme being effective now being stands vested in our Company, to provide expert services in the areas of (i) security assessment of the assets; (ii) review and advising on matters of criminal complaints by and / or against the Company and its directors or officers; (iii) strategic review of frauds / misappropriation of company assets by employees / third parties; (iv) review of complaints reported cyber laws by and / or against the Company; (v) strategic advisor for enterprise risk management, incident management; and (vi) other related matters for a consolidated monthly fixed fees of ₹ 2,00,000 (Rupees two lakhs only).

3. Further, the Directors are interested to the extent of equity shares that they are holding and are allotted to them pursuant to the Scheme, and also to the extent of any dividend payable to them and other distributions in respect of the equity shares.

4. Except as stated otherwise in this Information Memorandum, our Company has not entered into any contract, agreement or arrangement since incorporation to the date of this Information Memorandum in which the Directors are directly or indirectly interested.

Shareholding of our Directors

The shareholding of the Directors in our Company is as under:

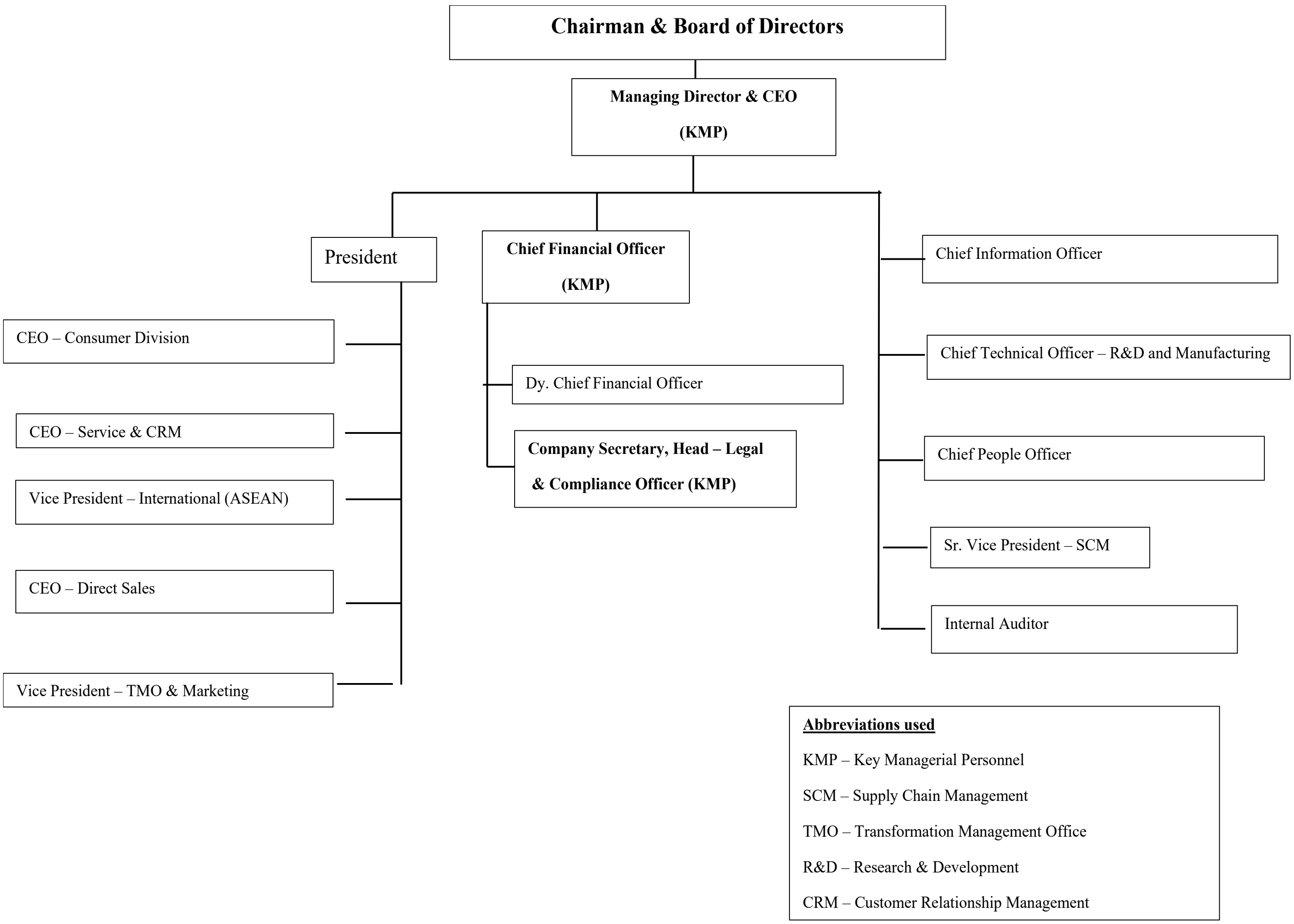
Sr. No.	Name of the Shareholders	No. of Equity Shares	% of holding
1.	Mr. Marzin Roomi Shroff	Nil	Nil
2.	Mr. Shapoorji Pallonji Mistry	Nil	Nil
3.	Mr. Pallon Shapoorji Mistry	Nil	Nil
4.	Mr. Jai Laxmikant Mavani	Nil	Nil
5.	Dr. (Mrs.) Indu Ranjit Shahani	Nil	Nil
6.	Mr. Shankar Krishnan Subramanian	Nil	Nil
7.	Mr. Anil Vasudev Kamath	Nil	Nil
8.	Mr. Homi Adi Katgara	2,25,000	0.10%
9.	Mr. Sivanandhan Dhanushkodi	Nil	Nil

Changes in the Board of Directors in the last 3 years

Except the following, there has been no change in the Board of Directors of our Company during the last three years:

Name of Director	Date of appointment	Date of cessation	Reason for change
Mr. Rajagopalan Sambamoorthy	-	January 31, 2022	Due to professional commitments
Mr. Vikram Surendran	-	January 31, 2022	Due to professional commitments
Mr. Ashu Khanna	-	January 31, 2022	Due to professional commitments
Mr. Suresh Redhu	-	January 31, 2022	Due to professional commitments
Mr. Marzin Roomi Shroff	January 31, 2022	-	To broad base the Board pursuant to the Scheme becoming effective and also proposed listing of equity shares
Mr. Shapoorji Pallonji Mistry	January 31, 2022	-	
Mr. Pallon Shapoorji Mistry	January 31, 2022	-	
Mr. Jai Laxmikant Mavani	January 31, 2022	-	
Dr. (Mrs.) Indu Ranjit Shahani	January 31, 2022	-	
Mr. Shankar Krishnan Subramanian	January 31, 2022	-	
Mr. Anil Vasudev Kamath	January 31, 2022	-	
Mr. Homi Adi Katgara	January 31, 2022	-	
Mr. Sivanandhan Dhanushkodi	January 31, 2022	-	

Organisation Chart



Key Managerial Personnel

In addition to Mr. Marzin Roomi Shroff, the Managing Director and CEO of our Company, following are the Key Managerial Personnel of our Company:

Name	Designation	Age (years)	Qualification	Experience (years)	Date of Joining	Previous Employment
Mr. Rajagopalan Sambamoorthy	Chief Financial Officer	60	B.Sc., FCA	34	January 31, 2022	Dodsal Limited
Mr. Dattaram P Shinde	Company Secretary, Head - Legal & Compliance Officer	43	Fellow Company Secretary, CMA, LL.B, EPGDBM	21	January 31, 2022	Godrej Hershey Limited

Mr. Rajagopalan Sambamoorthy is a Fellow Member of the Institute of Chartered Accountants of India. He graduated from University of Madras. He is responsible for accounting, taxation and financial activities, including policy formulation and implementation. He also manages all the treasury and finance functions for Eureka Forbes Group including International Operations in a career span of 34 years, he has multidimensional experience in Accounts, Finance, Internal Audit, International Finance and Logistics.

Mr. Dattaram P Shinde is a Fellow Member of the Institute of Company Secretaries of India and Associate Member of the Institute of Cost & Management Accountants of India. He graduated in Law from Mumbai University and completed Executive Post Graduate Diploma in Business Management from Symbiosis International University, Pune with distinction. He has more than 21 years of experience in He is responsible for managing the corporate secretarial, legal and compliance function. In a career span of over 2 decades, he has gained expertise in various corporate functions including strategic business reviews, due diligence and corporate restructuring. He has rich working experience of various industries such as consumer durables, pharmaceuticals, chemicals, food and edible oil etc.

All our Key Managerial Personnel are permanent employees of our Company. Further, there is no agreement or understanding with major shareholders, customers, suppliers or others pursuant to which any of the above-mentioned personnel was selected as a director or member of senior management.

Relationship between Key Managerial Personnel and Directors
None of the Key Managerial Personnel of the Company is related to the Directors of our Company

Portion of the compensation or otherwise was paid pursuant to a bonus or profit-sharing plan for the previous financial year: Nil

Shareholding of our KMPs
The shareholding of the KMPs in our Company is as under:

Sr. No.	Name and Designation of KPM	Number of Shares	Percentage of Shareholding (%)
1.	Mr. Rajagopalan Sambamoorthy	Nil	Nil
2.	Mr. Dattaram P Shinde	30	0.00

Changes in the KMPs in the last 3 years
Except the following, there has been no change in the Board of Directors of our Company during the last three years:

Name of KPM and Designation	Date of appointment	Date of cessation	Reason for change
Mr. Rajagopalan Sambamoorthy (Chief Financial Officer)	January 31, 2022	-	Appointed pursuant to the Scheme becoming effective
Mr. Dattaram P Shinde (Company Secretary, Head - Legal and Compliance Officer)	January 31, 2022	-	Appointment as Company Secretary, Head Legal & Compliance Officer pursuant to the Scheme becoming effective

OUR PROMOTERS

The Promoter of our Company is:

1. Shapoorji Pallonji and Company Private Limited

Shapoorji Pallonji and Company Private Limited ("SPCPL") was originally incorporated on January 23, 1943 under the provisions of the Companies Act, 1913. The Corporate Identity Number of the SPCPL is U45200MH1943PTC003812. The Registered Office of SPCPL is situated at 70, Nagindas Master Road, Fort, Mumbai, Maharashtra - 400023. The Company is engaged in constructing, executing, carrying out, improving repairing, managing business of Builder and Contractors, sanitary plumbers etc. The PAN of SPCPL is AAACS6994C.

The ultimate beneficial owners of SPCPL are Mr. Shapoorji Pallonji Mistry and Mr. Cyrus Pallonji Mistry.

Board of Directors of Shapoorji Pallonji and Company Private Limited:

The Board of Directors of SPCPL as on date of this Information Memorandum are:

S.No.	Name	Designation
1.	Roshen Minocher Nentin	Whotetime Director
2	Firoze Kavshah Bhathena	Wholetime Director
3.	Kekoo Homji Colah	Wholetime Director
4.	Jai Laxmikant Mavani	Wholetime Director
5.	Subodh Chandra Dixit	Wholetime Director
6.	Shapoorji Pallonji Mistry	Director
7.	Pallon Shapoorji Mistry	Director
8.	Mohan Dass Saini	Director

Shareholding pattern of SPCPL as on date of this Information Memorandum is:

S.No.	Name	Number of equity shares	Percentage (%)
1	Shapoorji P. Mistry	72,55,100	1.03
2	Cyrus P. Mistry	72,55,100	1.03
3	Sterling Invetsment Corporate Private Limited	90,38,100	1.28
4	Cyrus Investment Private Limited	90,38,100	1.28
5	S P Finance Private Limited	33,62,02,900	47.69
6	S C Finance and Investment Private Limited	33,62,02,900	47.69
7	Blue Arrow Finance Company Private Limited	28,000	0.00
	Total	**70,50,20,200**	**100.00**

Financial Information

Summary of Financial Information of Shapoorji Pallonji and Company Private Limited for the financial year ending March 31, 2021, March 31, 2020 and March 31, 2019 is as below:

(₹ in lakhs)

Particulars	March 31, 2021	March 31, 2020	March 31, 2019
Total Income	667,007.68	1154,143.59	4990,150.61
Profit after Tax	(139,643.49)	67,624.06	46,754.54
Equity share capital	70,502.02	70,502.02	70,502.02
Reserves & Surplus	202,641.76	343,160.92	260,063.76
Net Worth	273,143.78	413,662.94	330,565.78
Book Value per share of face value ₹ 10 each (in ₹)	38.74	58.67	46.89
Earnings per share of face value ₹ 10 each (in ₹)	(19.81)	9.59	11.24

Other confirmation
Our Promoters have not been declared as willful defaulters by the RBI or any other Governmental authority and there are no violations of securities laws committed by them in the past or are pending against them.

Our Promoters and Promoter Group entities have not been debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority. Our Promoter are not and have never been a promoter, director or person in control of any other company which is debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Interest of Promoters
Our Promoters shall be deemed as interested to the extent of Equity Shares held by them or by the companies / firms / ventures promoted by them, if any and dividend or other distributions payable to them in respect of the said Equity Shares. Except as stated above and in the section titled "Financial Statements" on page 88 of the Information Memorandum, and to the extent of shareholding in our Company, our Promoter does not have any other interest in our business.

Related party transactions
For details of related party transactions refer to "Financial Statements" on page 88 of the Information Memorandum.

Promoter Group
None of the Promoter Group Companies have made any public issue in the preceding three years. None of the Promoter Group Company has become a sick company nor is not under winding up or liquidation. For details on material litigations and disputes pending against the Promoter Group Entities please refer to the section titled "Outstanding Litigations and Material Developments" on page 91 of the Information Memorandum.

PROMOTER GROUP

1. Forbes Campbell Finance Limited

Forbes Campbell Finance Limited ("FCFL") was originally incorporated on April 25, 1977 as Sarada Latham Business Machines Private Limited under the provisions of the Companies Act, 1956 and finally on June 14, 2010, the name of the company got changed to its current name, Forbes Campbell Finance Limited. It has its Corporate Identity Number as U51103MH1977PLC259702. The Registered Office of the company is situated at Forbes Building, Charanjit Rai Marg, Fort, Mumbai, 400-001. The company is primarily engaged in the business of making Investments in group companies. The PAN of FCFL is AAACL0532H.

Board of Directors of Forbes Campbell Finance Limited

The Board of Directors of FCFL as on date of this Information Memorandum are:

S.No.	Name	DIN	Designation
1	Shrikrishna Bhave	06619610	Director
2	Nirmal Jagawat	01854117	Director
3	Pankaj Khattar	00009423	Director
4	Ravinder Chander Prem	07771465	Director

Shareholding pattern as on the date of this Information Memorandum

S.No.	Particulars	Equity Shares	% of Equity Share Capital
1.	Forbes & Company Limited	38,64,125	100.00
2.	Forbes & Company Limited jointly with Mr.	1	0.00

	Mahesh Tahilyani *		
3.	Forbes & Company Limited jointly with Mr. Prashant Pradhan *	1	0.00
4.	Forbes & Company Limited jointly with Mr. Ravinder Chander Prem *	1	0.00
5.	Forbes & Company Limited jointly with Mr. Pankaj Khattar *	1	0.00
6.	Forbes & Company Limited jointly with Mr. Shrikrishna M Bhave *	1	0.00
7.	Forbes & Company Limited jointly with Mr. Nirmal Jagawat *	1	0.00
	Total	**38,64,131**	**100.00**

(*) held as a Nominee of Forbes & Company Limited

Financial performance

The audited financial results (Standalone) of Forbes Campbell Finance Limited for the financial years ended March 31, 2021, 2020 and 2019 and are set forth below.

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020	March 31, 2019
Total Income	9.10	58.84	10.79
Profit after Tax	(2,329.90)	(258.94)	(35.75)
Equity share capital	386.41	386.41	386.41
Other Equity	1,173.73	1,913.78	4,549.13
Net Worth	1,560.15	2,300.19	4,935.55
Book Value per share of face value ₹ 10 each	40.4	59.5	127.7
Earnings per share of face value ₹ 10 each	(60.3)	(6.7)	(0.9)

GROUP COMPANIES

Given below is the list of entities which are Group Companies of our Company as per Regulation 2(1)(t) of the SEBI ICDR Regulations, which are defined as under. None of the Group Companies have made any public issue in the preceding three years. None of the Group Company has become a sick company and is not under winding up or liquidation. For details on litigations and disputes pending against the Group Companies, please refer to the section titled “Outstanding Litigations and Material Developments” on page 91 of the Information Memorandum.

Definition: "group companies", shall include such companies (other than promoter(s) and subsidiary/subsidiaries) with which there were related party transactions on November 30, 2021, as covered under the applicable accounting standards, and also other companies as considered material by the board of the issuer.

1. Forbes & Company Limited

Forbes & Company Limited (“FCL”) is the Demerged Company under the Scheme of Arrangement. While EFL does not have any related party transactions with FCL, FCL is a party to the Scheme of Arrangement and therefore, the details of FCL are provided herewith.

Forbes & Company Limited was incorporated in the State of Maharashtra on November 18, 1919 as ‘The Gokak Mills Limited’ under the Indian Companies Act, 1913. Thereafter, in terms of Section 21 of the Companies Act 1956, the name was changed to Gokak Patel Volkart Limited on December 31, 1973. Further, on September 28, 1992, its name was changed to ‘Forbes Gokak Limited’ and, on October 25, 2007, it was changed to its current name ‘Forbes & Company Limited’. It has its Corporate Identity Number as L17110MH1919PLC000628. The Registered Office is situated at Forbes Building, Charanjit Rai Marg, Fort, Mumbai 400-001. FCL is primarily engaged in the business of providing engineering services, which primarily includes products such as threading tools and carbide tools. It is also engaged in real-estate activities of developing properties under real estate projects. The Equity Shares of Forbes & Company Limited are listed at BSE Limited.

<u>Board of Directors and KMP</u>

S.No.	Name	DIN / PAN	Designation
1	Mr. Shapoorji Pallonji Mistry	00010114	Non-Executive Chairman
2	Mr. Sivanandhan Dhanushkodi	03607203	Non-Executive Independent Director
3	Mr. Jai Laxmikant Mavani	05260191	Non-Executive Non-Independent Director
4	Mr. Nikhil Jaysinh Bhatia	00414281	Non-Executive Independent Director
5	Mrs. Rani Ajit Jadhav	07070938	Non-Executive Independent Director
6	Mr. Mahesh Chelaram Tahilyani	01423084	Managing Director
7	Mr. Nirmal Jagawat	AAEPJ3876H	Chief Financial Officer
8	Mr. Pankaj Khattar	ALBPK1556H	Company Secretary & Compliance Officer

Shareholding pattern as on December 31, 2021

Cate-gory	Category of shareholders	No. of share-holders	No. of fully paid-up Equity Shares held	Total no. of shares held	Share-holding as a %age of total no. of shares (calculated as per SCRR, 1957) (as a % of (A+B+C)	No. of locked in shares		No. of shares pledged		No. of Equity Shares held in dematerialised form
						No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	
(A)	Promoter & Promoter Group	2	95,25,691	95,25,691	73.85	-	-	-	-	95,25,691
(B)	Public	12,024	33,72,925	33,72,925	26.15	-	-	-	-	30,96,937
(C)	Non promoter	-	-	-	-	-	-	-	-	-

	non public									
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Employee trust	-	-	-	-	-	-	-	-	-
	Total	**12,026**	**1,28,98,616**	**1,28,98,616**	**100.00**	**-**	**-**	**-**	**-**	**1,26,22,628**

BSE

The high and low closing prices and associated volumes of securities traded during last three years are as follows:

Period	High (in ₹)	Date of High	Volume on date of high (no. of shares)	Low (in ₹)	Date of Low	Volume on date of low (no. of shares)	Weighted Average Price (in ₹)
2020-21	6,486.00	31-12-21	641	1,300.00	26-02-21	2,581	3,417.73
2019-20	1,825.00	01-01-20	5,004	642.00	24-03-20	1,122	1,296.05
2018-19	2,550.00	08-04-19	4,314	1,451.00	11-12-19	3,193	1,972.12

The high and low closing prices and associated volume of securities traded during the last six months is as follows:

Period	High (in ₹)	Date of High	Volume on date of high (no. of shares)	Low (in ₹)	Date of Low	Volume on date of low (no. of shares)	Weighted Average Price (in ₹)
January 2022	6,774.00	10-01-22	2,224	5,440.05	27-01-22	1,957	6,143.94
December 2021	6,486.00	31-12-21	641	5,102.00	01-12-21	1,287	5,572.86
November 2021	5,787.00	01-11-21	18,008	4,937.05	23-11-21	4,968	5,359.10
October 2021	6,002.95	28-10-21	20,365	4,043.00	01-10-21	32,256	4,741.40
September 2021	4,450.00	23-09-21	16,555	3,235.05	03-09-21	12,270	4,061.05
August 2021	3,419.00	31-08-21	14,085	2,648.50	10-08-21	12,307	3,057.78

For the purpose of aforesaid tables:
- Year is financial year ending on March 31.
- Weighted Average Price (Total Turnover / Total Traded Quantity) for all trading days during the said period
- High price is the maximum of the daily high prices and Low price is the minimum of the daily low prices of the Equity Shares of our Company for the year, or the month, as the case may be
- In case of two days with the same high / low, the date with higher volume has been considered

Financial performance

The audited financial results of Forbes & Company Limited for the financial years ended March 31, 2021, 2020 and 2019 are set forth below.

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020	March 31, 2019
Total Income	57,573.66	20,240.53	24,522.49
Profit after Tax	(3,102.83)	(2,455.18)	1,027.19
Equity share capital	1,289.86	1,289.86	1,289.86
Reserves & Surplus	15,739.51	18,875.86	22,121.85
Net Worth	17,029.37	20,165.72	23,411.71
Book Value per share of face value ₹ 10/- each (in ₹)	132.02	156.34	181.51
Earnings per share of face value ₹ 10/- each (in ₹)	(24.06)	(19.03)	7.96

2. Afcons Infrastructure Limited

Afcons Infrastructure Limited ("AIL") incorporated on November 22, 1976 under the provisions of Companies Act 1956. The Corporate Identity Number (CIN) of the Company is U45200MH1976PLC019335. The Registered Office of the company is situated at Afcons House, 16 Shah Industrial Estate, Veera Desai Rd, Azad Nagar PO, Andheri, Mumbai – 400053. The equity shares of the AIL are not listed on any stock exchange.

Board of Directors

S.No.	Name	DIN	Designation
1	Mr. Shapoorji Pallonji Mistry	00010114	Chairman
2	Mr. Pradip Narotam Kapadia	00078673	Director
3	Mr. N.D. Khurody	00007150	Director
4	Mr. R.M.Premkumar	00328942	Director
5	Mr. Umesh N. Khanna	03634361	Director
6	Mr. Pallon Shapoorji Mistry	05229734	Director
7	Ms. Roshen Minocher Nentin	00004884	Director
8	Mr. K Subramanian	00047592	Executive Vice Chairman
9	Mr. S Paramasivan	00058445	Managing Director
10	Mr. Giridhar Rajagopalan	02391515	Deputy Managing Director
11	Mr. Akhil Kumar Gupta	03188873	Executive Director (Operations)

Shareholding pattern as on January 31, 2022

S.No.	Particulars	Equity Shares	% of Equity Share Capital
A	**Promoter and Promoter Group (Shapoorji Pallonji Group)**		
1	Shapoorji Pallonji & Company Private Limited	49105652	68.23
2	Floreat Investments Private Limited	13015929	18.09
	Sub Total (A)	**62121581**	**86.32**
B	**Non Promoters**		
1	Renaissance Commerce Private Limited	4018350	5.58
2	Hermes Commerce Private Limited	4016250	5.58
3	Rising Mountain Properties Pvt. Ltd	50000	0.07
4	Employees Trust	1191370	1.66
5	Directors &r their relatives	110057	0.15
6	Employee/Retired Employees / Public	454850	0.63
	Sub Total (B)	**9840877**	**13.67**
C	Investor Education Protection Fund **(C)**	**7780**	**0.01**
	Total (A+B+C)	**71970238**	**100.00**

Financial performance

The audited financial results (Standalone) of Afcons Infratsructure Limited for the financial years ended March 31, 2021, 2020 and 2019 and are set forth below.

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020	March 31, 2019
Total Income	9,15,382	9,50,601	7,93,529
Profit after Tax	12,593	24,192	12,505
Equity share capital	52,197	52,197	52,197
Other Equity	149,840	1,39,352	1,21,135

Particulars	March 31, 2021	March 31, 2020	March 31, 2019
Net Worth	2,02,037	1,91,549	1,73,332
Book Value per share of face value ₹ 10 each	38.71	36.70	33.21
Earnings per share of face value ₹ 10 each	3.70	7.10	3.67

3. Forbes Facility Services Private Limited

Forbes Facility Services Private Limited ("FFSPL") incorporated on July 28, 2004 under the provisions of Companies Act 1956. The Corporate Identity Number (CIN) of the Company is U74930MH2004PTC147742. The Registered Office of the company is situated at Rupam Building, 5th Floor, 239, P. D'Mello Road, Fort, Mumbai - 400001. The equity shares of the Company are not listed on any stock exchange.

Board of Directors

S.No.	Name	DIN
1	Chandrashekhar Anant Karnik	00003874
2	Marzin Roomi Shroff	00642613
3	Sarvadaman Krishnarao Palekar	01723670
4	Vinay Raghunath Deshmukh	07153755
5	Vikram Surendran	07322381

Shareholding pattern as on February 02, 2022

S.No.	Particulars	Equity Shares	% of Equity Share Capital
1.	Forbes & Company Limited jointly with Nominees	10,00,000	100.00
	Total	**10,00,000**	**100.00**

Financial performance

The audited financial results (Standalone) of Forbes Facility Services Private for the financial years ended March 31, 2021, 2020 and 2019 and are set forth below.

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020	March 31, 2019
Total Income	15,293	18,441	18,106
Profit after Tax	211	(199)	608
Equity share capital	100	100	100
Other Equity	930	632	890
Net Worth	1,030	732	990
Book Value per share of face value ₹ 10 each	103.00	73.20	99.00
Earnings per share of face value ₹ 10 each	21.08	(19.88)	60.75

4. Sterling & Wilson Private Limited

Sterling & Wilson Private Limited ("SWPL") incorporated on June 13, 1974 under the provisions of Companies Act 1956. The Corporate Identity Number (CIN) of the Company is U31200MH1974PTC017538. The Registered Office of the company is situated at 9th Floor, Universal Magestic, P.L. Lokhande Marg, Chembur Mumbai – 400043. The equity shares of SWPL are not listed on any stock exchange.

Board of Directors

S.No.	Name	DIN
1	Zarine Yazdi Daruvala	00190585

2	Khurshed Yazdi Daruvala	00216905
3	Pallon Shapoorji Mistry	05229734

Shareholding pattern as on January 31, 2022

S.No.	Particulars	Equity Shares	% of Equity Share Capital
1.	Shapoorji Pallonji & Co. Private Limited	1,94,80,000	66.33
2.	Cyrus P. Mistry	72,000	0.25
3.	Pallon S. Mistry	72,000	0.25
4.	Khurshed Y. Daruvala	97,45,293	33.17
5.	Parvin Zarir Madan jointly with Khurshed Y. Daruvala	10	0.00
6.	Kainaz K. Daruvala jointly with Khurshed Y. Daruvala	20	0.00
7.	Zarine Y. Daruvala	10	0.00
	Total	**2,93,69,333**	**100.00**

Financial performance

The audited financial results (Standalone) of Sterling and Wilson Private Limited for the financial years ended March 31, 2021, 2020 and 2019 and are set forth below.

(₹ in lakhs)

Particulars	March 31, 2021	March 31, 2020	March 31, 2019
Total Income	253,434	331,846	328,407
Profit after Tax	(33,920)	(13,156)	(14,750)
Equity share capital	2,937	2,937	1,604
Other Equity	21,335	55,183	53,074
Net Worth	24,272	58,120	54,678
Book Value per share of face value ₹ 10 each	82.64	197.89	340.97
Earnings per share of face value ₹ 10 each	(115.49)	(59.43)	9.20

DIVIDEND POLICY

The declaration and payment of dividend on the Equity Shares will be recommended by our Board and approved by the shareholders of our Company (except interim dividend) at their discretion and will depend on a number of factors, including the results of operations, earnings, capital requirements and surplus, general financial conditions, contractual restrictions, applicable Indian legal restrictions and other factors considered relevant by the Board. Further, the Board may also declare interim dividend in accordance with the provisions of the Act.

Our Company has not declared any dividend since incorporation.

FINANCIAL STATEMENTS

Index to Financial Statements

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of **Forbes Enviro Solutions Limited**

Report on the Audit of Special Purpose Financial Statements

Opinion

We have audited the accompanying Special Purpose Financial Statements of **Forbes Enviro Solutions Limited** ("the Company"), which comprise the balance sheet as at 30 November 2021, and the statement of Profit and Loss including other comprehensive income, statement of changes in equity and statement of cash flows for the period 1 April 2021 to 30 November 2021, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Special Purpose Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Special Purpose Financial Statements are prepared in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ("Ind AS") specified under section 133 of the Companies Act, 2013 ("the Act"), of the state of affairs of the Company as at 30 November 2021, and the loss (including Other Comprehensive Income), changes in equity and its cash flows for the for the period 1 April 2021 to 30 November 2021.

Basis for Opinion

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

Emphasis of Matter

1. We draw attention to note 35 in the Special Purpose Financial Statements which describes the Composite Scheme of Arrangement under section 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder, and its approval by the Honourable National Company Law Tribunal.

2. We draw attention to note 36 in the Special Purpose Financial Statements which describes the impact of Covid-19 pandemic on the operations of the Company and the basis of the assessment made by the Management of the Company that no material uncertainty exists that may cast a significant doubt on the Company's ability to continue as a going concern, despite accumulated losses, negative networth and net current liability position as at 30 November 2021, and that the going concern assumption is appropriate in the preparation of the Special Purpose Financial Statements.

Our opinion is not modified in respect of the above matters.

Responsibilities of the Management and Those Charged with Governance for the Special Purpose Financial Statements

The Company's management and Board of Directors are responsible for the preparation of these Special Purpose Financial Statements that givea true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting Standards prescribed under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 Special Purpose Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Special Purpose Financial Statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realisticalternative but to do so.

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

Auditors' Responsibilities for the Audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the Special Purpose Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurancebut 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 Special Purpose Financial Statements.

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

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

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

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

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

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

Other matters

The management has conducted physical verification of inventory post November 30, 2021 with roll-back procedures to the reporting date. Due to Covid -19 related travel difficulties, we were not able to physically observe the stock verification when carried out by the Management. Consequently we have performed alternative procedures to audit the existence of inventory as per the guidance provided in SA 501 "Audit Evidence - specific considerations for selected items" and have obtained sufficient appropriate audit evidence to issue our unmodified opinion on these Special Purpose Financial Statements.

Our opinion is not modified in respect of this matter.

Restriction on distribution or use

This report on the Special Purpose Financial Statements is for the limited purpose of submission to BSE Limited to facilitate the listing of equity shares of the Company and for the purpose of accounting by the Holding Company of "loss of control" in the consolidated financial statements, read with Note 35 of the Special Purpose Financial Statement, and accordingly, should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our audit work, for this report, or for the opinions we have formed.

For **Batliboi & Purohit**
Chartered Accountants
Firm's Registration No.101048W

Atul Mehta
Partner
Membership No.015935

Place: Mumbai
Date: 5th February, 2022
ICAI UDIN: 22015935AAMXXO8

Forbes Enviro Solutions Limited

Balance Sheet as at November 30, 2021

			Notes	As at November 30, 2021 ₹	As at March 31, 2021 ₹
		ASSETS			
		Non-current Assets			
(a)		Property, plant and equipment	4	9,90,843	14,82,408
(b)		Other Intangible assets	5	74,284	76,747
(c)		Right of Use Assets	31	-	1,26,974
(d)		Financial assets			
	(i)	Other financial assets	8	19,53,485	11,27,668
(e)		Tax assets			
	(i)	Income Tax Asset (Net)	19	32,93,587	42,71,845
(f)		Other non-current assets	11	34,80,489	1,17,21,880
		Total Non-current Assets		**97,92,688**	**1,88,07,522**
		Current Assets			
(a)		Inventories	9	1,27,24,334	2,04,04,290
(b)		Financial assets			
	(i)	Investments	6	2,85,999	2,39,522
	(ii)	Trade receivables	7	1,13,04,607	2,35,60,525
	(iii)	Cash and cash equivalents	10	90,770	19,80,773
	(iv)	Bank balances other than (iii) above	10	11,29,610	31,97,928
	(v)	Other financial assets	8	42,404	5,864
(c)		Other current assets	11	37,85,837	32,36,755
		Total Current Assets		**2,93,63,561**	**5,26,25,657**
		Total Assets		**3,91,56,249**	**7,14,33,179**

	EQUITY AND LIABILITIES			
	Equity			
(a)	Equity share capital	12	4,82,72,630	4,82,72,630
(b)	Other Equity	13	(6,66,74,192)	(4,68,87,057)
	Total Equity		**(1,84,01,562)**	**13,85,573**
	Liabilities			
	Non-current Liabilities			
(a)	Provisions	15	1,53,111	2,18,997
	Total Non-current Liabilities		**1,53,111**	**2,18,997**
	Current Liabilities			
(a)	Financial liabilities			
(i)	Borrowings	17	1,50,00,000	1,50,00,000
(ii)	Lease Liability	31	-	1,34,370
(iii)	Trade and other payables			
(a)	Total outstanding dues of micro and small enterprises	18	52,50,859	23,42,015
(b)	Total outstanding dues other than (iii) (a) above	18	3,13,76,463	4,53,85,544
(iv)	Other financial liabilities	14	42,59,955	60,97,028
(b)	Provisions	15	1,05,584	1,09,442
(c)	Income tax liabilities (Net)	19	2,61,275	2,61,275
(d)	Other current liabilities	16	11,50,564	4,98,935
	Total Current Liabilities		**5,74,04,700**	**6,98,28,609**
	Total Liabilities		**5,75,57,811**	**7,00,47,606**
	Total Equity and Liabilities		**3,91,56,249**	**7,14,33,179**

The accompanying notes are an integral part of the financial statements

As per our report of even date For BATLIBOI & PUROHIT Chartered Accountants Firm Regn No.101048W	Marzin R. Shroff (DIN: 00642613)	*Director*
ATUL MEHTA Partner Membership No.15935	Vikram Surendran (DIN: 07322381)	*Director*
Mumbai, Dated :5/Feb/2022	Mumbai, Dated : 30th January 2022	

Forbes Enviro Solutions Limited

Statement of Profit and Loss for the period ended November 30, 2021

		Notes	April 01, 2021 to November 30, 2021	Year ended March 31, 2021
			₹	₹
I	**Income**			
	Revenue from Operations	20	6,40,77,535	7,84,62,822
	Other income	21	1,32,097	4,81,329
	Total Income		**6,42,09,632**	**7,89,44,151**
II	**Expenses**			
	Cost of materials consumed	22	5,42,72,157	5,94,18,867
	Purchases of stock-in-trade	22	2,09,025	4,73,294
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	22	38,27,436	82,38,912
	Employee benefits expenses	23	79,18,011	1,37,72,690
	Finance costs	24	11,77,656	19,87,268
	Depreciation and amortisation expense	25	4,09,475	14,16,106
	Other expenses	26	1,53,39,423	98,62,214
	Total expenses		**8,31,53,183**	**9,51,69,351**
III	**Profit/(Loss) before exceptional items and tax**		**(1,89,43,551)**	**(1,62,25,200)**
	Add/ (Less) : Exceptional items		-	-
IV	**Profit/(Loss) before tax**		**(1,89,43,551)**	**(1,62,25,200)**
	Less: Tax expense			
(1)	Current tax	27.1	-	-
(2)	Prior year tax Provision		10,74,842	79,320
(3)	Deferred tax - Debit/(Credit)		-	-
			10,74,842	**79,320**
V	**Profit/(Loss) for the period/ year**		**(2,00,18,393)**	**(1,63,04,520)**
VI	**Other Comprehensive Income**			
A	Items that will not be reclassified to statement of profit or loss			
(a)	Remeasurements of the defined benefit plans		**2,31,258**	1,63,381
(b)	Income tax relating to items that will not be reclassified to statement of profit or loss			
			2,31,258	**1,63,381**
B	Items that may be reclassified to statement of profit or loss			
(a)	Income tax relating to items that may be reclassified to statement of profit or loss			
				-
	Total other comprehensive income (A + B)		**2,31,258**	**1,63,381**
	Total comprehensive income for the period/ year (V+VI)		**(1,97,87,135)**	**(1,61,41,139)**
	Profit/ (Loss) for the period/ year attributable to:			
	- Owners of the Company		(2,00,18,393)	(1,63,04,520)
			(2,00,18,393)	(1,63,04,520)
	Other comprehensive income for the period/year attributable to:			
	- Owners of the Company		2,31,258	1,63,381
			2,31,258	1,63,381
	Total comprehensive income for the period/ year attributable to:			
	- Owners of the Company		(1,97,87,135)	(1,61,41,139)
			(1,97,87,135)	(1,61,41,139)
	Earnings per equity share	28		
	(1) Basic (in Rs.)		(4.15)	(3.38)
	(2) Diluted (in Rs.)		(4.15)	(3.38)

The accompanying notes are an integral part of the financial statements

As per our report of even date

For BATLIBOI & PUROHIT
Chartered Accountants
Firm Regn No.101048W

Marzin R. Shroff
(DIN: 00642613) *Director*

ATUL MEHTA
Partner
Membership No.15935

Vikram Surendran
(DIN: 07322381) *Director*

Mumbai, Dated :5/Feb/2022

Mumbai, Dated : 30th January 2022

Forbes Enviro Solutions Limited

Cash Flow Statement for the period ended November 30, 2021

Particulars	Period ended November 30, 2021 ₹	Year ended March 31, 2021 ₹
Cash flows from operating activities		
Profit/loss before tax for the period/year	(1,89,43,551)	(1,62,25,200)
Adjustments for:		
Finance costs recognised in profit or loss	11,76,247	19,45,793
Unwinding Interest on Lease Liabilities	1,409	41,475
Investment Loss/ (gain) recognised in profit or loss	(46,477)	(1,02,337)
Interest Income	(84,997)	(2,00,597)
(Profit)/Loss on disposal of property, plant and equipment	2,42,412	91,586
Provision for Doubtful Debts/Advances	-	24,81,746
Depreciation and amortisation of fixed assets/ intangibles	2,82,501	5,23,707
Amortisation of Right-of use Assets	1,26,974	8,92,399
Remeasurement of defined benefit plans disclosed under OCI	2,31,258	1,63,381
Movements in working capital:		
(Increase)/decrease in trade and other receivables	1,22,55,918	20,41,339
(Increase)/decrease in inventories	76,79,956	95,02,641
(Increase)/decrease in other assets	82,41,391	
(Increase)/decrease in current other assets	(5,49,082)	53,81,944
(Increase)/decrease in current other financial assets	5,47,000	3,96,588
Increase/ (decrease) in trade and other payables	(1,92,18,497)	(52,40,020)
Increase/(decrease) in provisions	(69,744)	(73,301)
Increase/(decrease) in other liabilities	(11,85,444)	(29,85,443)
Cash generated/ (used in) from operations	**(11,94,466)**	**(13,64,299)**
Income taxes paid (net of refunds)	(96,584)	23,02,131
Net cash / (used in) generated by operating activities	**(12,91,050)**	**9,37,832**
Cash flows from investing activities		
Interest Income	48,457	2,16,234
Payments for property, plant and equipment	(30,885)	-
Net Movement in Bank Balance not considered as Cash & Cash equivalents	6,95,501	14,43,294
Net cash (used in)/generated by investing activities	**7,13,073**	**16,59,528**
Cash flows from financing activities		
Interest expense	(11,76,247)	(19,45,793)
Lease Liability paid	(1,35,779)	(9,18,360)
Net cash used in financing activities	**(13,12,026)**	**(28,64,153)**
Net increase / (decerase) in cash and cash equivalents	**(18,90,003)**	**(2,66,793)**
Cash and cash equivalents at the beginning of the year	19,80,773	22,47,566
Cash and cash equivalents at the end of the period/Year	**90,770**	**19,80,773**
Net Cash and cash equivalents at the end of the period/Year	**90,770**	**19,80,773**

The accompanying notes are an integral part of the financial statements

Note :

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard

As per our report of even date For BATLIBOI & PUROHIT Chartered Accountants Firm Regn No.101048W	Marzin R. Shroff (DIN: 00642613)	*Director*
ATUL MEHTA Partner Membership No.15935	Vikram Surendran (DIN: 07322381)	*Director*

Statement of changes in equity for the period ended November 30, 2021

a. Equity share capital

	No.of Shares	Amount ₹
Balance at April 1, 2020	48,27,263	4,82,72,630
Changes in equity share capital during the year	-	-
Balance at March 31, 2021	48,27,263	4,82,72,630
Changes in equity share capital during the period	-	-
Balance at November 30, 2021	48,27,263	4,82,72,630

B. Other Equity

Particualrs	Attributable to Owners		
	Reserves and surplus	Items Of Other Comprehensive Income	Total Other Equity
	Retained earnings	Remeasurement of Employee benefit	
	₹	₹	₹
Balance as at April 1, 2020	(3,07,45,918)		(3,07,45,918)
Profit/ (loss) for the year	(1,63,04,520)		(1,63,04,520)
Other comprehensive income for the year, net of income tax		1,63,381	1,63,381
Transfer to retained earnings	1,63,381	(1,63,381)	-
Balance at March 31, 2021	**(4,68,87,057)**	-	**(4,68,87,057)**
Profit/ (loss) for the period	(2,00,18,393)		(2,00,18,393)
Other comprehensive income for the period, net of income tax	2,31,258	-	2,31,258
Balance as at November 30, 2021	**(6,66,74,192)**	-	**(6,66,74,192)**

As per our report of even date

For BATLIBOI & PUROHIT
Chartered Accountants
Firm Regn No.101048W

Marzin R. Shroff
(DIN: 00642613)
Director

ATUL MEHTA
Partner
Membership No.15935

Vikram Surendran
(DIN: 07322381)
Director

Mumbai, Dated :5/Feb/2022

Mumbai, Dated : 30th January 2022

Notes to the financial statements for the period ended November 30, 2021

1.Background

Forbes Enviro Solutions Limited is a limited company incorporated in India. Its parent Company is Eureka Forbes Limted and ultimate holding company is Shapoorji Pallonji and Company Private Ltd

Registered office is at B1/ B2 Marathon Innova, Off Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400013. The Company is engaged in manufacturing and trading of Water and Waster Water Treatment plants and taking OEM's and Trading of Packaged Drinking Water etc.

2. Basis of preparation

a. Statement of compliance

These Special Purpose Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

These Special Purpose Financial Statements as at and for the period April 1, 2021 to November 30, 2021, have been prepared for the limited purpose of submission to BSE Limited to facilitate the listing of equity shares of the Company and for the purpose of accounting by the Holding Company of "loss of control" in the consolidated financial statements, read with Note 35

Accordingly, previous year audited figures for the year ended March 31, 2021 have been disclosed for comparative purposes, since comparative figures for the period April 1, 2020 to November 30, 2020 are not available.

These Special Purpose Financial Statements were authorised for issue by the Company's Board of Directors on 30th January 2022.

Details of the Company's accounting policies are included in Note 3.

b. Functional and presentation currency

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

c. Basis of measurement

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

d. Use of estimates and judgements

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

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

Judgements

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

- Note 3(c)(iii) and 4 – useful life of Property, plant and equipment
- Note 3(d)(iii) and 5 – useful life of Intangible assets
- Note 3(g) and 29 – employee benefit plans
- Note 3(h) and 32 – provisions and contingent liabilities
- Note 3(l) and 27 – Income taxes
- Note 3(j) and 31 – Lease classification

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the period ending 30 November 2021 is included in the following notes:

-Note 32 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;

e. Measurement of fair values

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

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

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

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

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

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

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

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

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

3. Significant accounting polices

a. Foreign currency transactions

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

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

b. Financial instruments

i. *Recognition and initial measurement*

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.
A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii. *Classification and subsequent measurement*

Financial assets

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

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

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

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

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

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

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

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

Financial assets: Subsequent measurement and gains and losses

- Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

- Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

-Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

-Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

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

iii. *Derecogniton*

Financial assets

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

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

Financial liabilities

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

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

iv. *Offsetting*

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

c. Property, plant and equipment

i. Recognition and measurement

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

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

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

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

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

ii. Subsequent expenditure

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

iii. Depreciation

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

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

Asset	Management estimate of useful life	As per Schedule II of Companies Act
Plant and machinery	15yrs	15yrs
Office equipments	3- 5yrs	5yrs
Furniture and fixtures	10yrs	10yrs
Computers	3yrs	3yrs
Vehicles- Motor car	8 yrs	8yrs
Vehicle- Motor bike	10 yrs	10yrs
Electric fittings	10yrs	10yrs

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

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

d. Intangible assets

i. Acquired intangible

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

ii. Subsequent expenditure

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

iii. Amortisation

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

The estimated useful live is as follows:

- Software 5 years

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

e. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity. (refer note 9)

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

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

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

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

f. Impairment

i. Impairment of financial instruments

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

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

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

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

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

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

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

ii. Impairment of non-financial assets

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

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

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

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

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

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

g. Employee benefits

i. *Short-term employee benefits*

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

ii. *Defined contribution plans*

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

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

iii. Defined benefit plans

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

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

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

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

iv. Other long-term employee benefits

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

h. Provisions and contingent liabilities

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

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

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

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

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

i. Revenue

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. This *inter alia* involves discounting of the consideration due to the present value if payment extends beyond normal credit terms. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing effective control over, or managerial involvement with, the goods, and the amount of revenue can be measured reliably.

J.Impact of initial application of Ind AS 116 Leases

On 30 March 2019, the Ministry of Corporate Affairs (MCA) notified Ind AS 116, 'Leases' as part of the Companies (Indian Accounting Standards (Ind AS)) Amendment Rules, 2019. Ind AS 116 replaces existing standard on leases i.e. Ind AS 17, Leases with effect from 1st April, 2019 (The initial accounting application date).

Ind AS 116 sets out principles for the recognition, measurement, presentation and disclosure of leases. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. For all leases except as noted above, a lessee is required to recognise a right-of-use asset (ROU Asset) representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments in the balance sheet. Lessee will recognise depreciation of right-of-use assets and interest on lease liabilities in the statement of profit and loss.

The Company as a lessee

The Company's lease asset classes primarily consist of leases for Premises. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases.

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

Lease payments included in the measurement of the lease liability comprise:

• Fixed lease payments (including in-substance fixed payments) payable during the lease term and under reasonably certain extension options, less any lease incentives;
• Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
• The amount expected to be payable by the lessee under residual value guarantees;
• The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
• Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

As a practical expedient, Ind AS 116 permits a lessee not to separate non-lease components when bifurcation of the payments is not available between the two components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has used this practical expedient. Contingent and variable rentals are recognized as expense in the periods in which they are incurred.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

• The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
• A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under Ind AS 37. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The Company has entered into lease arrangements as a lessee for premises for operating customer relationship center , guest houses, head office and regional offices , residential premises for their employees so as to help the employees to get settled to new location and warehouse for receiving, storing and dispatch of goods. The average term of leases entered into is 3 years. Incase of warehouses, on the basis of past practice the entire period of the contract has been considered for lease term depending on the reasonable certainty to continue with the same service provider. Generally, these lease contracts do not include extension or early termination options.

Extension and termination options are included in many of the leases. In determining the lease term the management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.

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

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of Profit and Loss.

The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Ind AS 116 does not change substantially how a lessor accounts for leases. Under Ind AS 116, a lessor continues to classify leases as either finance leases or operating leases and account for those two types of leases differently. However, Ind AS 116 has changed and expanded the disclosures required, in particular with regard to how a lessor manages the risks arising from its residual interest in leased assets.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

k. Recognition of interest income or expense

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

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

- the gross carrying amount of the financial asset; or

- the amortised cost of the financial liability.

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

l. Income tax

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

i. Current tax

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

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

ii. Deferred tax

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

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

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

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

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

m. Earnings per share

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

n. Recent accounting pronouncements

i. Standards issued but not yet effective:

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

Notes to the financial statements for the period ended November 30, 2021

4. Property, Plant & Equipments

Cost or deemed cost	Furniture and fixtures	Computers	Electrical Fittings	Office Equipment	Total
	₹	₹	₹	₹	₹
As at 1st April 2020	33,86,687	15,00,735	8,54,251	13,67,824	71,09,497
Additions	-	-	-	-	-
Deletions	(2,88,359)	(3,36,227)	-	(1,71,922)	(7,96,508)
As at 31 March 2021	30,98,328	11,64,508	8,54,251	11,95,902	63,12,989
Additions	-	-	-	30,885	30,885
Deletions	(9,15,713)	(1,35,570)	(8,54,251)	(1,04,418)	(20,09,952)
As at 30 November 2021	21,82,615	10,28,938	-	11,22,369	43,33,922
Depreciation					
As at 1st April 2020	19,52,277	14,15,828	6,16,572	10,42,005	50,26,682
Deletions	(2,30,523)	(3,19,416)	-	(1,63,327)	(7,13,266)
Charge for the year	3,39,289	9,833	90,157	77,886	5,17,165
As at 31 March 2021	20,61,043	11,06,245	7,06,729	9,56,564	48,30,581
Deletions	(7,93,168)	(1,28,791)	(7,46,383)	(99,198)	(17,67,540)
Charge for the year	1,86,502	-	39,654	53,882	2,80,038
As at 30 November 2021	14,54,377	9,77,454	-	9,11,248	33,43,079
Net Block					
As at 31 March 2021	10,37,285	58,263	1,47,522	2,39,338	14,82,408
As at 30 November 2021	7,28,238	51,484	-	2,11,121	9,90,843

Notes to the financial statements for the period ended November 30, 2021

5. Other Intangible Assets

Cost or deemed cost	Computer Software ₹	Total ₹
As at 1st April 2020	15,22,701	15,22,701
Addition	-	-
Deletion	(1,66,875)	(1,66,875)
As at 31 March 2021	13,55,826	13,55,826
Addition	-	-
Deletion	-	-
As at 30 Nov. 2021	13,55,826	13,55,826
Amortisation		
As at 1st April 2020	14,31,068	14,31,068
Charge for the year	6,542	6,542
Deletion	(1,58,531)	(1,58,531)
As at 31 March 2021	12,79,079	12,79,079
Charge for the year	2,463	2,463
Deletion	-	-
As at 30 Nov. 2021	12,81,542	12,81,542
Net Block		
As at 31 March 2021	**76,747**	**76,747**
As at 30 Nov. 2021	**74,284**	**74,284**

Notes to the financial statements for the period ended November 30, 2021

Financial assets

6. Other Current Investments

Particulars	As at November 30, 2021 ₹	As at March 31, 2021 ₹
Unquoted Investments (all fully paid)		
(a) Investments in Mutual Funds at FVTPL		
357.856 (previous year 357.856) units of ₹10/- fully paid up in Nippon India - Growth Plan Growth Option	2,85,999	2,39,522
TOTAL UNQUOTED INVESTMENTS at FVTPL	2,85,999	2,39,522

Notes to the financial statements for the period ended November 30, 2021

7. Trade receivables

Particulars	Non Current As at November 30, 2021	Non Current As at March 31, 2021	Current As at November 30, 2021	Current As at March 31, 2021
	₹	₹	₹	₹
Unsecured, considered good	-	-	41,22,554	1,19,78,535
Unsecured , Debts due from related parties (refer note 30 (II))	-	-	85,80,406	1,60,52,407
Less: Allowance for doubtful debts	-	-	13,98,353	44,70,417
Total	-	-	1,13,04,607	2,35,60,525

7.1 Trade receivables

The average credit period on sales is between 60-90 days.

Movement in the allowance for doubtful debts

Particulars	As at November 30, 2021	Year ended March 31, 2021
	₹	₹
Balance at beginning of the year	44,70,417	1,17,47,188
Impairment losses recognised on receivables	-	13,31,003
Amounts written off during the year as uncollectible	30,72,064	86,07,774
Balance at end of the Period	13,98,353	44,70,417

In determining the recoverability of a trade receivable, the Company considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

As at November, 30, 2021, trade receivables of Rs.Nil (as at March 31, 2021 Rs.13,31,003/-) were impaired. The amount of the provision was Rs.13,98,353/- as at Nov 30, 2021 (as at March 31, 2021 Rs.44,70,417/-; The individually impaired receivables were mainly due to unexpected difficult economic situations. It was assessed that a portion of these receivables is expected to be recovered. The ageing is as follows:

Age of impaired trade receivables

Particulars	As at November 30, 2021	As at March 31, 2021
180-365 days	-	-
above 365 days	-	13,31,003
Total	-	13,31,003

Notes to the financial statements for the period ended November 30, 2021

8. Other financial assets

Particulars	Non Current		Current	
	As at November 30, 2021 ₹	As at March 31, 2021 ₹	As at November 30, 2021 ₹	As at March 31, 2021 ₹
Bank deposits with more than 12 months maturity (refer note 8(i))	15,23,312	1,50,495	-	-
Security deposits				
Security deposits - unsecured considered good - to related parties (refer note 30 (II))	10,000	10,000	-	-
Security deposits - unsecured considered good	4,20,173	9,67,173	-	-
Interest Accrued -				
On fixed deposits with Banks		-	42,404	5,864
	19,53,485	11,27,668	42,404	5,864

8.1 Previous year amount of bank deposit of Rs.123,300/- was pledged as security towards the Overdraft facility with IDBI Bank of Rs.1,00,000/- at interest rate of 8.20%. Out of the total Bank deposit pledged with IDBI Bank as of 31st March 2021 the amount of Rs.123,300/- is with maturity more than 12 months .

9. Inventories

Particulars	As at November 30, 2021 ₹	As at March 31, 2021 ₹
a) Inventories (lower of cost and net realisable value) #.		
Raw Material & Spares	1,08,89,437	1,47,41,957
Work in Progress	18,34,897	56,62,333
	1,27,24,334	2,04,04,290

Cost of Inventories recognised as an expense include Rs.75,29,392/- (2020-21 Rs.308,167/-) in respect of write - downs of inventory to net realisable value.

The management has conducted physical verification of inventory post November 30, 2021 with roll-back procedures to the reporting date.

Notes to the financial statements for the period ended November 30, 2021

10. Cash and cash equivalents

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

Particulars	As at November 30, 2021 ₹	As at March 31, 2021 ₹
Balances with Banks in current accounts	86,836	19,26,839
Cash on hand	3,934	53,934
Total Cash & Cash Equivalents	**90,770**	**19,80,773**
Bank Balances other than Cash & Cash Equivalents		
Deposits with original maturity of more than 3 months but less than 12 months	11,29,610	31,97,928
Total Bank Balances other than Cash & Cash Equivalents	**11,29,610**	**31,97,928**

11. Other assets

Particulars	Non Current		Current	
	As at November 30, 2021 ₹	As at March 31, 2021 ₹	As at November 30, 2021 ₹	As at March 31, 2021 ₹
Prepaid expenses	-	-	2,47,683	1,78,295
Balance with statutory/ government authorities	34,80,489	1,17,21,880	15,83,581	19,32,010
Gratuity	-	-	11,70,137	4,78,363
Advance to Employees	-	-	3,74,172	69,615
Advances to Vendors - Considered Doubtful	-	-	11,51,960	17,29,215
Less: Provision for doubtful advances	-	-	7,41,696	11,50,743
	-	-	4,10,264	5,78,472
Total	34,80,489	1,17,21,880	37,85,837	32,36,755

Notes to the financial statements for the period ended November 30, 2021

12. Equity Share Capital

Particulars	As at November 30, 2021 ₹	As at March 31, 2021 ₹
Equity share capital	4,82,72,630	4,82,72,630
Total	4,82,72,630	4,82,72,630
Authorised Share capital :		
50,00,000 fully paid equity shares of ₹ 10 each	5,00,00,000	5,00,00,000
Issued and subscribed capital comprises:		
48,27,263 fully paid equity shares of ₹.10 each (as at March 31, 2021: 48,27,263)	4,82,72,630	4,82,72,630
	4,82,72,630	4,82,72,630

12.1 Fully paid equity shares

Particulars	Number of shares	Share capital ₹
Balance at April 1, 2020	48,27,263	4,82,72,630
Add: Issued during the year	-	-
Less: Bought back during the year	-	-
Balance at March 31, 2021	48,27,263	4,82,72,630
Add: Issued during the year	-	-
Less: Bought back during the year		-
Balance at Nov. 30, 2021	**48,27,263**	**4,82,72,630**

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

12.2 Details of shares held by the holding company, the ultimate controlling party, their subsidiaries and associates

Particulars	Fully paid ordinary shares As at November 30, 2021	As at March 31, 2021
Balance at the beginning of the period - Held by Eureka Forbes Limited	4,82,72,630	4,82,72,630
Total as at the end of the period	**4,82,72,630**	**4,82,72,630**

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

Particulars	As at November 30, 2021		As at March 31, 2021	
	Number of shares held	% holding in the class of shares	Number of shares held	Number of shares held
Fully paid equity shares				
Eureka Forbes Limited	4,82,72,630	100%	4,82,72,630	100%
Total	**4,82,72,630**	**100%**	**4,82,72,630**	**100%**

12.4 Capital management

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

The capital structure of the company consists of net debt (borrowings as detailed in notes 17 offset by cash and bank balances) and equity of the Company (comprising issued capital, reserves and retained earnings as detailed in notes 12 to 13).

The company is not subject to any externally imposed capital requirements.

The companys strategy is to maintain a gearing ratio within 10%. The gearing ratio were as follow:

12.4.1 Gearing ratio

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

Particulars	As at November 30, 2021 ₹	As at March 31, 2021 ₹
Debt (i)	1,50,00,000	1,50,00,000
Cash and bank balances	16,14,082	21,31,268
Net debt	1,33,85,918	1,28,68,732
Equity (ii)	(1,84,01,562)	13,85,573
Net debt to equity ratio	**(0.73)**	**9.29**

Debt is defined as long- and short-term borrowings (excluding derivative, financial guarantee contracts and contingent consideration), as described in note 17.

13. Other equity

Particulars	As at November 30, 2021 ₹	As at March 31, 2021 ₹
Retained earnings		
Balance at beginning of year	(4,68,87,057)	(3,07,45,918)
Add/ (less): Profit/ (loss) for the year	(2,00,18,393)	(1,63,04,520)
Add: Transfer from OCI	2,31,258	1,63,381
Balance at end of the year	**(6,66,74,192)**	**(4,68,87,057)**

Notes to the financial statements for the period ended November 30, 2021

Financial Liabilities

14. Other financial liabilities

Particulars	Non Current		Current	
	As at November 30, 2021	As at March 31, 2021	As at November 30, 2021	As at March 31, 2021
	₹	₹	₹	₹
(a) Interest accrued but not due on borrowings	-	-	6,73,694	3,90,022
(b) Deposits for Jars	-	-	6,32,440	6,32,440
(c) Others :-	-			
-Dues to employees	-	-	16,91,153	19,73,779
-Dues to Others	-	-	10,89,227	15,27,497
(d) Statutory liabilities (Contributions to PF,Pension, ESIC,withholding Taxes,VAT,GST etc.)	-	-	1,73,441	15,73,290
Total	-	-	42,59,955	60,97,028

15. Provisions

Particulars	Non Current		Current	
	As at November 30, 2021	As at March 31, 2021	As at November 30, 2021	As at March 31, 2021
	₹	₹	₹	₹
Employee benefits on Compensated absence	1,53,111	2,18,997	62,779	65,882
Provision for Warranty (see 15.1)		-	42,805.00	43,560
Total	**1,53,111**	**2,18,997**	**1,05,584.00**	**1,09,442**

15.1 Provision for Warranty

The company gives warranty on certain products, undertaking to repair or replace the items that fail to perform satisfactorily during the warranty period. Warranty provisions are made for expected future outflows where no reimbursements are expected and estimated based on using historical information on the nature frequency and average cost of warranty claims. The Table given below gives information about movement in warranty provisions.

Particulars	As at November 30, 2021	As at March 31, 2021
	₹	₹
At the beginning of the year	43,560	78,028
Additions during the year	42,805	43,560
Utilization during the year	-	-
Amount reversed /(utilisation) during the year	43,560	78,028
At the end of the year	**42,805**	**43,560**

16. Other Liabilities

Particulars	Non Current		Current	
	As at November 30, 2021	As at March 31, 2021	As at November 30, 2021	As at March 31, 2021
	₹	₹	₹	₹
(a) Advance received from Customers	-	-	11,50,564	4,98,935
Total	**-**	**-**	**11,50,564**	**4,98,935**

17. Current Borrowings

Particulars	As at November 30, 2021	As at March 31, 2021
	₹	₹
Unsecured - at amortised cost		
(a) Loans repayable on demand from related party (refer note (i) below)	1,50,00,000	1,50,00,000
Total	1,50,00,000	1,50,00,000

(i) Amounts repayable to related parties of the Group. Interest of 11.40% per annum is charged on the outstanding loan balances (as at March 31, 2021 11.40%).

18. Trade payables

Particulars	Non Current		Current	
	As at November 30, 2021	As at March 31, 2021	As at November 30, 2021	As at March 31, 2021
	₹	₹	₹	₹
Trade payables - MSME (Refer note below 18.1 for dues to Micro and Small Enterprises)	- -	-	52,50,859	23,42,015
Trade payables (including acceptances)	-	-	3,09,48,444	4,47,37,193
Trade payables to related parties (refer note 30 (II))	-	-	4,28,019	6,48,351
Total	**-**	**-**	**3,66,27,322**	**4,77,27,559**

The average credit period for purchase of certain goods is 60-90 days. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

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

Particulars	As at November 30, 2021	As at March 31, 2021
(i) Principal amount remaining unpaid to MSME suppliers as on year end	52,32,059	23,22,140
(ii) Interest due on unpaid principal amount to MSME suppliers as on year end	18,800	19,875

19. Income tax assets and liabilities

Particulars	Non Current		Current	
	As at November 30, 2021	As at March 31, 2021	As at Nov. 30, 2021	As at March 31, 2021
	₹	₹	₹	₹
Income tax assets (Net)				
Advance income-tax (Net of provision of taxation)	32,93,587	42,71,845		
Total	32,93,587	42,71,845		
Income tax Liabilities				
Provision for Taxation (Net of Advance Tax)		-	2,61,275	2,61,275
Total	-	-	2,61,275	2,61,275

27.2 Income Taxes

(a) Amounts recognised in profit and loss

Particulars	For the period ended November 30, 2021 ₹	For the year ended March 31, 2021 ₹
Current income tax	-	-
Prior year tax Provision	10,74,842	79,320
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	-	-
Reduction in tax rate		
Recognition of previously unrecognised tax losses		
Change in recognised deductible temporary differences		
Deferred tax	-	-
Tax expense for the year	**10,74,842**	**79,320**

(b) Amounts recognised in other comprehensive income

Particulars	For the period ended November 30, 2021		For the year ended Mar 31, 2021		
	Before tax	Net of tax	Before tax	Tax (expense) benefit	Net of tax
	₹	₹	₹	₹	₹
Items that will not be reclassified to profit or loss					
Changes in revaluation surplus	-	-	-	-	-
Remeasurements of the defined benefit plans	-	-	-	-	-
			-	-	-

(c) Reconciliation of effective tax rate

Particulars	For the period ended November 30, 2021 ₹	For the year ended March 31, 2021 ₹
Profit/ (Loss) before tax	(1,89,43,551)	(1,62,25,200)
Revised Profit before tax	(1,89,43,551)	(1,62,25,200)
Tax using the Company's domestic tax rate (Current year Nil and Previous Year Nil)	-	-
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:	-	-
	-	-
Effective tax rate		

The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority

Significant management judgement is required in determing the provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income by each jurisdiction in which the relevant entity operates and the period over which the deferred income tax assets will be recovered.

Owing to losses in the current year, no provision for current tax has been made.

Forbes Enviro Solutions Limited

Notes to the financial statements for the period ended November 30, 2021

20. Revenue from operations

Particulars	Period ended November 30, 2021 ₹	Year ended March 31, 2021 ₹
(a) Sale of - Products	6,23,10,086	7,09,18,511
- Traded Goods	4,89,269	9,84,072
(b) Sale of services	12,78,180	65,60,239
Total	6,40,77,535	7,84,62,822

21. Other Income and other gains/ (losses)

21.1 Other Income

	Period ended November 30, 2021 ₹	Year ended March 31, 2021 ₹
Interest on Bank deposits (at amortised cost)	84,997	2,00,597
Interest on Income Tax Refund	-	1,19,087
Others - Misc Receipts	623	57,902
Total	85,620	3,77,586

21.2 Other gains/(losses)

	Period ended November 30, 2021 ₹	Year ended March 31, 2021 ₹
Net foreign exchange gains/(losses)	-	1,406
Net gain/(loss) arising on financial assets measured at	46,477	1,02,337
Total	46,477	1,03,743
Total (21.1+ 21.2)	1,32,097	4,81,329

22. Cost of materials consumed

Particulars	Period ended November 30, 2021 ₹	Year ended March 31, 2021 ₹
Inventory at the beginning of the year	1,47,41,957	1,60,05,686
Add:- Purchases	5,04,19,637	5,81,55,138
Less:- Inventory at the end of the year	(1,08,89,437)	(1,47,41,957)
Cost of Raw Material & Components consumed	5,42,72,157	5,94,18,867
Purchase of traded products	2,09,025	4,73,294
Changes in inventories of finished goods, work-in-progress and stock-in-trade.	38,27,436	82,38,912

23. Employee benefits expense

Particulars	Period ended November 30, 2021 ₹	Year ended March 31, 2021 ₹
Salaries and Wages	75,69,110	1,31,34,139
Contribution to provident and other funds	3,46,464	6,31,306
Staff Welfare Expenses	2,437	7,245
Total	79,18,011	1,37,72,690

24. Finance costs

	Period ended November 30, 2021 ₹	Year ended March 31, 2021 ₹
Bank Charges	31,768	31,103
Interest on bank overdrafts and loans (other than those from related parties)	1,354	1,696
Bill Discounting Charges	-	2,02,989
Unwinding Interest on lease liabilities	1,409	41,475
Interest on ICD from holding company	11,43,125	17,10,005
Total	**11,77,656**	**19,87,268**

25. Depreciation and amortisation expense

Particulars	Period ended November 30, 2021 ₹	Year ended March 31, 2021 ₹
Depreciation of property, plant and equipment (Note 4)	2,80,038	5,17,165
Amortisation of Right of use Assets	1,26,974	8,92,399
Amortisation of intangible assets (Note 5)	2,463	6,542
Total depreciation and amortisation pertaining to continuing operations	**4,09,475**	**14,16,106**

26. Other expenses

Particulars	Period ended November 30, 2021 ₹	Year ended March 31, 2021 ₹
Electricity	78,942	2,71,113
Rent	11,73,661	9,30,352
Repairs and Maintenance - Others	1,29,008	75,572
Insurance	1,55,578	3,79,509
Freight, Forwarding and Delivery	3,62,270	7,71,847
Payment to Auditors (Refer details Below)	3,37,333	4,73,500
Printing and Stationery	25,602	45,546
Communication cost	75,815	2,99,510
Travelling and Conveyance	6,48,115	7,69,828
Legal and Professional Fees	3,15,455	4,99,492
Vehicle Running Expenses	-	4,950
Rates and taxes, excluding taxes on income	49,23,112	6,32,518
Service Charges	14,22,080	14,24,480
Loss on sale/Scrap of fixed assets (net)	2,42,412	91,586
Other Establishment Expenses	4,03,844	7,10,665
Bad Debts/Advances written off	81,18,260	-
Less: Adjusted against Doubtful Debts	(30,72,064)	-
	50,46,196	-
Provision for Doubtful Debts/Advances	-	24,81,746
Total	**1,53,39,423**	**98,62,214**

Payments to auditors	Period ended November 30, 2021 ₹	Year ended March 31, 2021 ₹
a) For audit	2,37,333	3,56,000
b) For taxation matters	-	87,500
c) For other services	-	30,000
d) Limited Review Fees	1,00,000	-
e) For reimbursement of expenses		-
Total	**3,37,333**	**4,73,500**

27. Income taxes

27.1 Income tax recognised in profit or loss

Particulars	Period ended November 30, 2021 ₹	Year ended March 31, 2021 ₹
Current tax		
In respect of prior years	10,74,842	79,320
	10,74,842	79,320
Deferred tax		
In respect of the year	-	-
Total income tax expense recognised in the current year	**10,74,842**	**79,320**

Notes to the financial statements for the period ended November 30 ,2021

28. Earnings per share (EPS)

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

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

i. Profit/(Loss) attributable to Equity holders

	November 30, 2021	March 31, 2021
	₹	₹
Profit/(Loss) attributable to equity holders:	(2,00,18,393)	(1,63,04,520)

ii. Weighted average number of ordinary shares

	November 30, 2021	March 31, 2021
	Nos.	Nos.
Weighted average number of equity shares used in the calculation of basic and diluted earnings per share (Nos.)	48,27,263	48,27,263

Basic and Diluted earnings per share

	November 30, 2021	March 31, 2021
	₹	₹
Basic and diluted earnings per share (₹)	(4.15)	(3.38)

29. Employee benefit plans

29.1 Defined contribution plans

The Company operates defined contribution retirement benefit plans for all qualifying employees of its Company. The assets of the plans are held with central government. Where employees leave the plans prior to full vesting of the contributions, the contributions payable by the Company are reduced by the amount of forfeited contributions.

	Period ended November 30, 2021	Year ended March 31, 2021
Amount recognised as expense and included in note 23 as contribution to provident and other funds	3,46,464	6,31,306

29.2 Defined benefit plans

The Company has a defined benefit gratuity scheme for employees who have completed minimum 5 years of service. The scheme is funded with Life Insurance Corporation (LIC).

Investment risk	The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. For other defined benefit plans, the discount rate is determined by reference to market yields at the end of the reporting period on high quality corporate bonds when there is a deep market for such bonds; if the return on plan asset is below this rate, it will create a plan deficit. Currently the plan has a relatively balanced investment in LIC. Due to the long-term nature of the plan liabilities, the board of the Fund considers it appropriate that a reasonable portion of the plan assets should be invested in equity securities and in real estate to leverage the return generated by the Fund.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The risk relating to benefits to be paid to the dependents of plan members (widow and orphan benefits) is not funded.

No other post-retirement benefits are provided to these employees.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at March 31, 2021 by an independent actuary. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

The principal assumptions used for the purposes of the actuarial valuations were as follows.

Particulars	Valuation as at	
	Period Ended November 30, 2021	**Year ended March 31, 2021**
Discount rate(s)	6.57%	6.56%
Expected rate(s) of salary increase	5.00%	5.00%
Mortality rates*	Indian Assured Lives Mortality (2012-14) Ult	Indian Assured Lives Mortality (2006-08) Ult
Employee turnover	10%	10%

* Based on India’s standard mortality table with modification to reflect expected changes in mortality.

Amounts recognised in statement of profit and loss in respect of these defined benefit plans are as follows.

Particulars	Period Ended November 30, 2021	Year ended March 31, 2021
Service cost:		
Current service cost	50,301	1,06,181
Past service cost and (gain)/loss from settlements	-	-
Net interest cost	(20,952)	(11,297)
Components of defined benefit costs recognised in profit or loss	29,349	94,884
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)	(30,491)	(1,14,085)
Actuarial (gains) / losses arising from changes in demographic assumptions	(156)	-
Actuarial (gains) / losses arising from changes in financial assumptions	12,194	(554)
Actuarial (gains) / losses arising from experience adjustments	(2,12,805)	(48,742)
Others		
Components of defined benefit costs recognised in other comprehensive income	**(2,31,258)**	**(1,63,381)**
Total	**(2,01,909)**	**(68,497)**

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	Period Ended November 30, 2021	As at March 31, 2021
Present value of funded defined benefit obligation	(8,80,231)	(14,84,013)
Fair value of plan assets	20,50,368	19,62,376
Funded status	11,70,137	4,78,363
Restrictions on asset recognised Others		
Net Asset arising from defined benefit obligation	**11,70,137**	**4,78,363**

Movements in the present value of the defined benefit obligation are as follows.

Particulars	Period Ended November 30, 2021	Year ended March 31, 2021
Opening defined benefit obligation	14,84,013	15,62,300
Current service cost	50,301	1,06,181
Interest cost	36,549	1,02,487
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in demographic assumptions	-	-
Actuarial gains and losses arising from changes in financial assumptions	12,194	(554)
Actuarial gains and losses arising from experience adjustments	(2,12,805)	(48,742)
Liability transferred in / acquisition	-	-
Past service cost, including losses/(gains) on curtailments		
Liabilities extinguished on settlements		
Benefits paid directly by the Employer	(4,89,865)	(2,37,659)
Benefits paid	-	
Closing defined benefit obligation	**8,80,387**	**14,84,013**

Movements in the fair value of the plan assets are as follows.

Particulars	Period Ended November 30, 2021	Year ended March 31, 2021
Opening fair value of plan assets	19,62,374	17,34,505
Interest income	57,501	1,13,784
Remeasurement gain (loss):	-	-
Return on plan assets (excluding amounts included in net interest expense)	30,491	1,14,085
Others	-	-
Contributions from the employer		
Contributions from plan participants	-	-
Assets distributed on settlements	-	-
Assets transferred in / acquisitions	-	-
The effects of changes in Foreign Exchange Rates	-	-
Benefits paid	-	-
Closing fair value of plan assets	**20,50,366**	**19,62,374**

Expenses Recognised in the Statement of Profit or Loss for Current Period

Particulars	Period Ended November 30,	Year ended March 31, 2021
Current Service Cost	50,301	1,06,181
Net Interest Cost	(20,952)	(11,297)
Acturial (Gain)/ Losses		
Expenses Recognised in the Statement of Profit or Loss	29,349	94,884

Expenses Recognised in other comprehensive Income (OCI) for Current Period

Particulars	Period Ended November 30,	Year ended March 31, 2021
Acturial (Gains)/ losses on Obligation for the period	(2,00,767)	(49,296)
Return on Plan Assets, excluding interest income	(30,491)	(1,14,085)
Change in asset ceiling		
Net (income) / expense for the period recognised in OCI	**(2,31,258)**	**(1,63,381)**

Balance Sheet Reconcilation

Particulars	Period Ended November 30, 2021	Year ended March 31, 2021
Opening Net Liability	(4,78,363)	(1,72,207)
Expense Recognised in Statement of Profit or Loss	29,349	94,884
Expense Recognised in other comprehensive income	(2,31,258)	(1,63,381)
Net Liability /(Asset) Transfer In	-	-
Net Liability /(Asset) Transfer Out	-	-
(Benefit paid Directly by the Employer)	(4,89,865)	(2,37,659)
(Employer's Contribution)	-	-
Net Liability /(Asset) Recognised in the Balance Sheet	**(11,70,137)**	**(4,78,363)**

Sensitivity Analysis

Particulars	Period Ended November 30, 2021	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018
Presented benefit obligation on current assumptions	8,80,387	14,84,013	15,62,300	14,67,653	13,13,534
Discount rate (1% increase)	(48,571)	(52,150)	(59,879)	(56,713)	(72,431)
Discount rate (1% decrease)	54,857	59,115	67,921	64,171	81,492
Future salary growth (1% increase)	55,038	59,453	68,304	65,230	82,962
Future salary growth (1% decrease)	(49,594)	(53,359)	(61,262)	(58,577)	(74,923)
Attrition movement (1% increase)	4,468	4,861	6,598	12,017	14,006
Attrition movement (1% decrease)	(4,988)	(5,552)	(7,443)	(13,473)	(15,823)

Notes to the financial statements for the period ended November 30 ,2021

30. Related party transaction

(I) Name of related Party and nature of relationship where control exists are as under :

A Enterprises having more than one half of Voting Powers -
Shapoorji Pallonji and Company Pvt. Ltd. - Ultimate Holding Company
Eureka Forbes Limited Holding Company

B. Enterprises under Common Control -(where there are transactions)
Afcon Insfrastructure Ltd
Sterling and Wilson Ltd
Eureka Forbes Institute of Environment
Forbes Facility Services Private Limited

(II) Transactions with Related Parties for the period ended 30th November, 2021

Nature of Transactions	A				B							
	Eureka Forbes Limited		Shapoorji Pallonji and Company Private Limited		Forbes Facility Services Private Limited		Afcon Infrastructure Ltd.		Sterling & Wilson Pvt. Ltd.		Forbes Lux FZCO	
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
	Period ended November, 30 2021	2020-21	Period ended November, 30 2021	2020-21	Period ended November, 30 2021	2020-21	Period ended November, 30 2021	2020-21	Period ended November, 30 2021	2020-21	Period ended November, 30 2021	2020-21
Purchases												
Goods and Materials	65,44,388	*46,70,816*	-	-	-	-	-	-	-	-	-	-
Services Rendered	1,45,661	*1,45,661*		-	3,68,980	*5,13,973*	-	-	-	-	-	-
Fixed Assets	30,885	-	-	-	-	-	-	-	-	-	-	-
	67,20,934	*48,16,477*	-	-	3,68,980	*5,13,973*	-	-	-	-	-	-
Sales												
Goods and Materials	6,22,41,086	*6,39,34,012*	-	*1,10,147*	-	-	-	-	-	-	-	*74,569*
Services Rendered	8,59,154	*18,77,044*	-	*22,98,605*	-	-	-		-	-		-
Recovery of Expenses	-	-	-	-								
	6,31,00,240	*6,58,11,056*	-	*24,08,752*	-	-	-	-	-	-	-	*74,569*
Expenses												
Rent and other services	7,62,240	*11,53,484*	-	*20,218*		-	-	-	-	-	-	-
Interest on ICD Taken	11,43,125	*17,10,005*	-				-	-	-	-	-	-
	19,05,365	*28,63,489*	-	*20,218*	-	-	-	-	-	-	-	-
Bad Debts	-	-	-	-	-	-	18,657	-	11,644	-	-	-
Finance												
Inter-corporate deposits repaid	-	-	-	-	-	-	-	-	-	-	-	-
Equity Shares Issued	-	-	-	-	-	-	-	-	-	-	-	-
Outstanding												
Trade Payables	-		-		4,28,019	*6,48,351*	-	-	-	-	-	-
Accured Interest on ICD	6,73,694	*3,90,022*										
Inter-corporate deposits Payable	1,50,00,000	*1,50,00,000*	-	-	-	-	-	-	-	-		-
Trade Receivables	22,69,138	*83,38,413*	63,11,268	*76,07,718*	-	-	-	*18,657*	-	*11,644*	-	*75,975*
Other Deposits Receivable	10,000	*10,000*	-	-	-	-	-	-	-	-		

31. Operating leases

Company as a lessor:

Requirements with regard to lessor accounting are substantially similar to accounting requirements contained in Ind AS 17. Accordingly, Company will continue to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

Company as a lessee:

The Company adopted Ind AS 116 “Leases” and applied the standard to all lease contracts existing on April 1, 2020 using the modified prospective method. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as at the date of initial application of the standard, and discounted at the Company’s incremental borrowing rate at the date of initial application.

The change in accounting policy affected the following items in Balance Sheet-

Right of Use asset increased by - ₹ Nil
Lease Liability increased by - ₹ Nil

The following is the summary of practical expedients elected on initial application:

1 The Company has not reassessed whether a contract is or contains a lease at the date of initial application.
2 Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
3 Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
4 Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
5 Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.
6 The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2021 is 10.25%

Following are the changes in the carrying value of right of use assets for the year ended November 30, 2021:

Particulars	Category Premises	Total
	₹	₹
Balance as at April 1, 2021	**1,26,974**	**1,26,974**
Reclassified on account of adoption of Ind AS 116		-
Additions*	-	-
Deletion	-	-
Depreciation	(1,26,974)	(1,26,974)
Balance as at November 30, 2021	**-**	**-**

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of Profit and Loss.

The following is the break-up of current and non-current lease liabilities as at November 30, 2021

Particulars	As at November 30, 2021
	₹
Current lease liabilities	-
Non-current lease liabilities	-
Total	**-**

The following is the movement in lease liabilities during the year ended November 30, 2021:

Particulars	As at November 30, 2021
	₹
Balance at the beginning	**1,34,370**
Additions	-
Finance cost accrued during the period	1,409
Deletions	-
Payment of lease liabilities	(1,35,779)
Translation Difference	
Balance at the end	**-**

Amounts recognised in profit and loss

Particulars	As at November 30, 2021
	₹
Depreciation expense on right-of-use assets	1,26,974
Interest expense on lease liabilities	1,409
Expense relating to short-term leases	2,53,561

32. Contingent liabilities

	Particulars	As at November 30,2021	As at March 31,2021
		₹	₹
	Claim against the company not acknowledged as debt		
1	Income tax matters	Nil	Nil
2	Sales Tax Matters F.Y.2002-2003 , 2004-05,2011-12 and 2013-14	18,59,903	86,150
3	Bank Guarantees	7,51,000	12,21,696

Notes:
The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.

33. Segment reporting
The Company was set up with the objective of manufacturing water treatment products. This is the only activity performed and is thus also the main source of risks and returns. Accordingly, the Company has a single reportable segment. Further, as the Company does not operate in more than one geographical segment, hence the relevant disclosures as per Ind AS 108 are not applicable to the company. One customer (related party) accounts for more than 10% of the total revenue of the company.

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

35. The Board of Directors of Forbes Enviro Solutions Ltd (" the Company") at their Board Meeting held on September 08, 2020, have inter alia, approved the Composite Scheme of Arrangement (“the scheme”) under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder.

The Scheme, inter alia, provides for amalgamation and vesting of Aquaignis Technologies Private Limited (“ATPL”), Eureka Forbes Limited (EFL) and Euro Forbes Financial Services Limited (“EFFSL”) with and into Eureka Forbes Limited (EFL). Further, upon the above part of the scheme becoming effective, amalgamation and vesting of EFL with and into Forbes and Company Limited (FCL).
Further , upon the above part of the scheme becoming effective, demerger and vesting of Demerged Undertaking (Health, Hygiene, Safety Products and Services Undertaking, as defined in the scheme) of FCL into Forbes Enviro Solutions Limited (the Company) (presently wholly owned subsidiary of EFL), on a going concern basis.
Upon the entire scheme becoming effective, the name of the Company shall be changed to Eureka Forbes Limited.

A Share Purchase Agreement (SPA) was entered on 19th September, 2021, amongst Lunolux Limited (Acquirer), Shapoorji Pallonji and Company Private Limited (Seller), Forbes & Company Limited, Eureka Forbes Limited, Forbes Enviro Solutions Limited and Forbes Campbell Finance Limited for sale of shares of Forbes Enviro Solutions Limited, post issuance and listing of the same pursuant to the Composite Scheme of Arrangement (“the scheme”) referred in above, becoming effective.
Pursuant to the Share Purchase Agreement, the Board vide its resolution passed on October 10, 2021, and shareholders and creditors on November 22,2021 have approved amendment to the aforesaid Scheme, and inter alia,
- providing for certain identified investments of EFL which shall not be demerged as a part of the Demerged Undertaking (as defined in the Scheme) from FCL to the Company,
- the "appointed date" as per the scheme is the effective date or the first day of the calendar month immediately succeeding the month in which the effective date occurs, as may be decided by the Board. The "effective date" is the last of the dates on which the conditions specified in Clause 41 of the scheme are complied with, which inter alia is the date when requisite orders of the NCLT being obtained for sanctioning the Scheme under Section 230 read with Section 232 of the Act being filed with the concerned Registrar of Companies.

Forbes and Company Ltd has filed an application seeking sanction of the scheme, with the regulatory authorities, with the appointed date as defined in scheme as above. Hon'ble NCLT has vide order dated January 25, 2022 approved the scheme and uploaded on the website on January 28,2022.

36. Going concern:
Due to COVID 19 impact in the country the demand for the products of the Company were very low. Company has incurred losses during the period and as on 30th November 2021 its net worth is negative. Further the current liabilities exceeds current assets by Rs. 1,30,41,139 (excluding the inter corporate deposit loan from shareholder) as on 30th November 2021.

Health, Hygiene, Safety products and Services business (read with note 35 above) is comprising of manufacturing, selling, renting and servicing of vacuum cleaners, water filter cum purifier, water and waste water treatment plant, trading in electronic air cleaning systems, small household appliances, digital security system and fire extinguishers, etc. This business segment is expected to have good demand as consumers become more health conscious due to pandemic.

Considering the above mentioned demerger in Note 35 above, and owing to the reasons mentioned above, no material uncertainty exists on the Company's ability to continue as a going concern.

Notes to the financial statements

38 Financial instruments – Fair values and risk management

A. Accounting classification and fair values -

	November 30, 2021			March 31, 2021		
	FVTPL	FVTOCI	Amotised Cost	FVTPL	FVTOCI	Amotised Cost
Financial assets						
Cash and cash equivalents	-	-	90,770	-	-	19,80,773
Other bank balances	-	-	11,29,610	-	-	31,97,928
Long-term loans and advances	-	-	-	-	-	-
Short-term loans and advances	-	-	-	-	-	-
Trade and other receivables	-	-	1,13,04,607	-	-	2,35,60,525
Current Investments	2,85,999	-		2,39,522	-	-
Non Current Investments	-	-	-	-	-	-
Other Current financial Asset	-	-	42,404	-	-	5,864
Other Non Current financial Asset	-	-	19,53,485	-	-	11,27,668
				-	-	
Total Financial Asset	**2,85,999**	**-**	**1,45,20,876**	**2,39,522**	**-**	**2,98,72,758**
Financial liabilities				-	-	
Trade and other payables	-	-	3,66,27,322	-	-	4,77,27,559
Other Current financial liabilities	-	-	42,59,955	-	-	60,97,028
Other Non Current financial liabilities	-	-	-	-	-	-
Current Borrowings	-	-	1,50,00,000	-	-	1,50,00,000
Non Current Borrowings	-	-	-	-	-	-
	-	-	-	-	-	
Total Financial Liabilities	**-**	**-**	**5,58,87,277**	**-**	**-**	**6,88,24,587**

Fair value Hierarchy

This section explains the judgement and the estimates made in determiningg the fair values of the financial instuments that are (a) recognised and measured at fair value and(b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

		November 30, 2021				March 31, 2021			
Assets and Liabilities which are measured at amortised cost for which fair values are disclosed	Notes	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets									
Long-term loans and advances		-	-	-	-	-	-	-	-
Short-term loans and advances		-	-	-	-	-	-	-	-
Trade and other receivables		-	-	-	-	-	-	-	-
Current Investments	6	2,85,999	-	-	2,85,999	2,39,522	-	-	2,39,522
Non Current Investments		-	-	-	-	-	-	-	-
Other Current financial Asset		-	-	-	-	-	-	-	-
Other Non Current financial Asset		-	-	-	-	-	-	-	-
Total Financial Asset		**2,85,999**	**-**	**-**	**2,85,999**	**2,39,522**	**-**	**-**	**2,39,522**
Financial liabilities									
Trade and other payables		-	-	-	-	-	-	-	-
Other Current financial liabilities		-	-	-	-	-	-	-	-
Other Non Current financial liabilities		-	-	-	-	-	-	-	-
Current Borrowings		-	-	-	-	-	-	-	-
Non Current Borrowings		-	-	-	-	-	-	-	-
Total Financial Liabilities		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Level 1 : Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (inlcuding bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2 : The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivates) is determined using valuation techniques which maximise the use ofobservable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3 : If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

Valuation techniques and significant unobservable inputs

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments.
- the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- the fair value of forward foreign excahnge contracts and principal swap is determined using forward exchange rates at the balance sheet date.
- the fair value of foreign currency option contracts is determined using the Black Scholes valuation model.
- the fair value of the remaining financial instruments is determined using the discounted cash flow analysis.

All of the resulting fair value estimates are included in level 2 except for unlisted equity securities, contingent consideration and indemnification asset, where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

C. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

i. Risk management framework

The Company's board of directors has

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

The board oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The board is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the board.

38 Financial instruments – Fair values and risk management (contd)

Impairment

At November 30, 2021, the ageing of trade and other receivables that was as follows:

	Carrying amount (in INR)	
	November 30, 2021	March 31, 2021
Not due		91,08,501
0-30 days	22,69,138	14,95,040
31-60 days	2,57,737	2,41,691
61-90 days	-	74,569
91-180 days	22,61,513	1,76,471
181-365 days	1,24,916	6,38,454
365 days and above	77,89,656	1,62,96,216
	1,27,02,960	2,80,30,942

Management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk.

An analysis of the credit quality of trade and other receivables that are neither past due nor impaired is as follows.

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows.

	INR
	Collective impairments
Balance as at April 1, 2020	1,17,47,188
Impairment loss recognised	13,31,003
Amounts written off	86,07,774
Balance as at March 31, 2021	44,70,417
Impairment loss recognised	-
Amounts written off	30,72,064
Balance as at November 30, 2021	13,98,353

At November 30, 2021, there was an impairment loss of INR Nil related to a several customers where the company is doubtful of recovery. The Company believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit ratings if they are available.

Cash and cash equivalents

The Company held cash and cash equivalents of INR 90,770/- at November 30, 2021 (March 31, 2021: INR 19,80,773/-).

38 Financial instruments – Fair values and risk management (contd)

B. Measurement of fair values

C. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

i. Risk management framework

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

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

The board oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The board is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the board.

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities.

The carrying amount of following financial assets represents the maximum credit exposure:

Particulars	As at November 30,2021	As at March 31,2021
Trade receivables	1,13,04,607	2,35,60,525
Cash and cash equivalents	90,770	19,80,773
Other bank balances	11,29,610	31,97,928
Other financial assets	19,95,889	1,28,55,412

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, and in some cases bank references. Sale limits are established for each customer and reviewed quarterly. Any sales exceeding those limits require approval from the board.

The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables.

At November 30, 2021, the maximum exposure to credit risk for trade and other receivables by geographic region was as follows.

	Carrying amount (in INR)	
	November 30, 2021	March 31, 2021
India	1,13,04,607	2,34,85,956
Other regions	-	74,569.00
	1,13,04,607	2,35,60,525

At Nov 30, 2021, the maximum exposure to credit risk for trade and other receivables by type of counterparty was as follows

	Carrying amount (in INR)	
	November 30, 2021	March 31, 2021
Construction (includes related party)	64,04,990	1,07,08,038
Education	-	-
Hospital	-	43,751
Hotel	-	82,600
Manufacturing	18,64,007	18,76,067
Trading Company (includes related party)	30,35,610	1,03,09,575
Others		5,40,494
Total	1,13,04,607	2,35,60,525

At November 30, 2021, the Company's most significant customer other than the related party, a construction company, accounted for INR 93,722/- of the trade and other receivables carrying amount (March 31, 2021 : INR 30,17,100/-).

38 Financial instruments – Fair values and risk management (contd)

iii. Liquidity risk

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

Exposure to liquidity risk

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

November 30, 2021		Contractual cash flows				
	Carrying amount	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
INR						
Non-derivative financial liabilities						
Borrowings	1,50,00,000	1,50,00,000	1,50,00,000	-	-	-
Trade and other payables	3,66,27,322	3,66,27,322	3,66,27,322	-	-	-
Other financial liabilities	42,59,955	42,59,955	42,59,955	-	-	-

March 31, 2021		Contractual cash flows				
	Carrying amount	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
INR						
Non-derivative financial liabilities						
Borrowings	1,50,00,000	1,50,00,000	1,50,00,000	-	-	-
Trade and other payables	4,77,27,559	4,77,27,559	4,77,27,559	-	-	-
Other financial liabilities	60,97,028	60,97,028	60,97,028	-	-	-

38 Financial instruments – Fair values and risk management (contd)

iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments.Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. We are exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of our investments. Thus, our exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

Currency risk

The Company does not use derivative financial instruments for trading or speculative purposes.

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at November 30, 2021 and March 31, 2021 are as below:

	November 30,2021 USD	March 31, 2021 USD
Financial assets		
Trade receivables	-	1,025
	-	1,025

The following significant exchange rates have been applied during the year.

	Average rate		Year-end spot rate	
INR	November 30,2021	March 31, 2021	November 30,2021	March 31, 2021
USD /INR	74.45	73.22	74.98	74.12

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against US dollars at November 30 would have affected the measurement of financial instruments denominated in US dollars and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Profit or loss		Equity, net of tax	
Effect in INR	Strengthening	Weakening	Strengthening	Weakening
March 31, 2021				
USD 5% movement	-	3,799	-	2,625
	-	3,799	-	2,625

38 Financial instruments – Fair values and risk management (contd)

v. Interest risk

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

	As at November 30, 2021	As at March 31, 2021
Fixed rate instruments		
Financial assets		
Deposits with banks	26,52,922	33,48,423
Financial Liabilities		
Intercorporate deposit from related parties	1,50,00,000	1,50,00,000
	1,50,00,000	**1,50,00,000**

Cash flow sensitivity analysis for variable-rate instruments

An increase of 50 basis points in interest rates at the reporting date would have decreased gain as at year end by the amounts shown below. This analysis assumes that all other variables remain constant.

Particulars	Profit or loss
November 30,2021	
Variable-rate instruments	-
Cash flow senstivity	**-**
March 31, 2021	
Variable-rate instruments	-
Cash flow senstivity	**-**

A decrease of 50 basis points in the interest rates at the reporting date would have had equal but opposite effect on the amounts shown above, on the basis that all other variable remain constant.

38 Financial instruments – Fair values and risk management (contd)

(vi) Price Risk

(a) Exposure

The Company's exposure to mutual fund price risk arises from investment held by the company and classified in the balance sheet as fair value through profit or loss.

(b) Sensitivity

The table below summarises the impact of increases/decreases of the NAV on the company's equity and profit for the period. The analysis is based on the assumption that the NAV is linked to BSE Sensex movement which had increased or decreased by 10% (March - 2021-10%) with all other variables held constant.

	Impact on profit after tax		Impact on other components of equity	
	November 30,2021	March 31,2021	November 30,2021	March 31,2021
Increase in NAV by 10%(2021 - 10%)	28,600	23,952	-	-
Decrease in NAV by 10%(2021 - 10%)	(28,600)	(23,952)	-	-

Profit for the period would increase/decrease as a result of gains/losses on NAV of mutual fund securities classified as at fair value through profit or loss.

INDEPENDENT AUDITOR'S REPORT

To the Members of **Forbes Enviro Solutions Limited**

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

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

Emphasis of Matter

1. We draw attention to note 35 in the Financial Statements which describes that, the Board of Directors of the Company at their Board meeting held on September 08, 2020 have inter alia, approved the Composite Scheme of Arrangement ('the Scheme') under section 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder. Forbes & Company Limited has filed an application seeking sanction of the Scheme, with the regulatory authorities, with the appointed date of April 01, 2020. As stated in the said note, the above scheme shall be effective post receipt of required approvals.

2. We draw attention to note 36 in the Financial Statements which describes the basis of the assessment made by the Management of the Company that no material uncertainty exists that may cast a significant doubt on the Company's ability to continue as a going concern, despite accumulated losses and net current liability position at March 31, 2021, and that the going concern assumption is appropriate in the preparation of the Financial Statements.

   Our opinion is not modified in respect of the above matters.

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

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

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

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

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

Responsibility of Management for Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

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

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

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

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

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

    i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 32 to the financial statements.

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

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

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

Atul Mehta
Partner
Membership No. 15935

Place : Mumbai
Date : June 4, 2021
ICAI UDIN : 21015935AAAAAC2229

Annexure - A to the Auditors' Report

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

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

(b) The property, plant and equipment were physically verified during the year by the management in accordance with a regular programme of verification which, in our Opinion, provides for physical verification of all the property, plant and equipment at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

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

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

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

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.

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

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

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

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

(b) According to information and explanations given to us, the following dues of sales tax have not been deposited by the Company on account of dispute. There are no dues of income tax, service tax, sales-tax, wealth tax, goods and service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.

Name of statute	Nature of dues	Amount under dispute (Rs)	Period to which the amount relates	Forum where dispute is pending
Sales Tax Act	Maharashtra Value Added Tax	51,299	2002-03	Commissioner of Sales Tax
	Central Sales Tax	34,851	2004-05	Commissioner of Sales Tax

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

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

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

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

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

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

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

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

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

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

Atul Mehta
Partner
Membership No. 15935
Place : Mumbai
Date : June 4, 2021
ICAI UDIN : 21015935AAAAAC2229

Annexure - B to the Auditors' Report

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

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

We have audited the Internal Financial Controls over financial reporting of **Forbes Enviro Solutions Limited** ("the Company") as of March 31, 2021 in conjunction with our audit of the Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

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

Atul Mehta
Partner
Membership No. 15935

Place : Mumbai
Date : June 4, 2021
ICAI UDIN : 21015935AAAAAC2229

Forbes Enviro Solutions Limited

Balance Sheet As At 31st March, 2021

			Notes	As at March 31, 2021	As at March 31, 2020
		ASSETS			
		Non-current Assets			
(a)		Property, plant and equipment	4	14,82,408	20,82,815
(b)		Other Intangible assets	5	76,747	91,633
(c)		Right of Use Assets	31	1,26,974	1,95,252
(d)		Financial assets			
	(i)	Other financial assets	8	1,28,49,548	1,48,34,503
(e)		Tax assets			
	(i)	Current tax asset (Net)	19	42,71,845	1,00,24,512
		Total Non-current Assets		**1,88,07,522**	**2,72,28,715**
		Current Assets			
(a)		Inventories	9	2,04,04,290	2,99,06,931
(b)		Financial assets			
	(i)	Investments	6	2,39,522	1,37,184
	(ii)	Trade receivables	7	2,35,60,525	2,80,83,610
	(iii)	Cash and cash equivalents	10	19,80,773	22,47,566
	(iv)	Bank balances other than (iii) above	10	31,97,928	30,68,876
	(v)	Other financial assets	8	5,864	5,480
(c)		Other current assets	11	32,36,755	86,18,699
		Assets classified as held for sale			
		Total Current Assets		**5,26,25,657**	**7,20,68,346**
		Total Assets		**7,14,33,179**	**9,92,97,061**
		EQUITY AND LIABILITIES			
		Equity			
(a)		Equity share capital	12	4,82,72,630	4,82,72,630
(b)		Other Equity	13	(4,68,87,057)	(3,07,45,918)
		Total Equity		**13,85,573**	**1,75,26,712**
		Liabilities			
		Non-current Liabilities			
(a)		Provisions	15	2,18,997	2,71,375
		Total Non-current Liabilities		**2,18,997**	**2,71,375**
		Current Liabilities			
(a)		Financial liabilities			
	(i)	Borrowings	17	1,50,00,000	1,50,00,000
	(ii)	Lease Liability	31	1,34,370	1,87,134
	(iii)	Trade and other payables			
	(a)	Total outstanding dues of micro and small enterprises	18	23,42,015	54,40,183
	(b)	Total outstanding dues other than (ii) (a) above	18	4,53,85,544	4,75,27,396
	(iv)	Other financial liabilities	14	60,97,028	78,93,881
(b)		Provisions	15	1,09,442	1,30,365
(c)		Current tax liabilities (Net)	19	2,61,275	36,32,490
(d)		Other current liabilities	16	4,98,935	16,87,525
		Total Current Liabilities		**6,98,28,609**	**8,14,98,974**
		Total Liabilities		**7,00,47,606**	**8,17,70,349**
		Total Equity and Liabilities		**7,14,33,179**	**9,92,97,061**
				-	-

As per our report of even date *For BATLIBOI & PUROHIT* Chartered Accountants Firm Regn No.101048W	Vikram Surendran (DIN: 07322381)	*Director*
ATUL MEHTA Partner Membership No.15935 Mumbai, Dated 04th June,2021	R.S.Moorthy (DIN: 02706251)	*Director*

Forbes Enviro Solutions Limited

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

		Notes	Mar 31,2021	Mar 31,2020
			`	`
I	**Income**			
	Revenue from Operations	**20**	7,84,62,822	16,34,15,268
	Other income	**21**	4,81,329	4,97,404
	Total Income		**7,89,44,151**	**16,39,12,672**
II	**Expenses**			
	Cost of materials consumed	**22**	5,94,18,867	12,92,79,793
	Purchases of stock-in-trade	**22**	4,73,294	45,14,490
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	**22**	82,38,912	(1,24,52,828)
	Employee benefits expenses	**23**	1,37,72,690	1,77,19,325
	Finance costs	**24**	19,87,268	40,27,154
	Depreciation and amortisation expense	**25**	14,16,106	14,12,147
	Other expenses	**26**	98,62,214	2,50,94,818
	Total expenses		**9,51,69,351**	**16,95,94,899**
III	**Profit/(Loss) before exceptional items and tax**		**(1,62,25,200)**	**(56,82,227)**
	Add/ (Less) : Exceptional items		-	-
IV	**Profit/(Loss) before tax**		**(1,62,25,200)**	**(56,82,227)**
	Less: Tax expense			
(1)	Current tax	**27.1**	-	-
(2)	Prior year tax Provision		79,320	1,21,215
(3)	Deferred tax - Debit/(Credit)		-	31,21,257
			79,320	**32,42,472**
V	**Profit/(Loss) for the year**		**(1,63,04,520)**	**(89,24,699)**
VI	**Other Comprehensive Income**			
A	Items that will not be reclassified to statement of profit or loss			
(a)	Remeasurements of the defined benefit plans		1,63,381	(75,112)
(b)	Income tax relating to items that will not be reclassified to statement of profit or loss			-
			1,63,381	**(75,112)**
B	Items that may be reclassified to statement of profit or loss			
(a)	Income tax relating to items that may be reclassified to statement of profit or loss			
			-	-
	Total other comprehensive income (A + B)		**1,63,381**	**(75,112)**
	Total comprehensive income for the period (V+VI)		**(1,61,41,139)**	**(89,99,811)**
	Profit/ (Loss) for the year attributable to:			
	- Owners of the Company		(1,63,04,520)	(89,24,699)
			(1,63,04,520)	(89,24,699)
	Other comprehensive income for the year attributable to:			
	- Owners of the Company		1,63,381	(75,112)
			1,63,381	(75,112)
	Total comprehensive income for the year attributable to:			
	- Owners of the Company		(1,61,41,139)	(89,99,811)
			(1,61,41,139)	(89,99,811)
	Earnings per equity share	**28**		
	(1) Basic (in Rs.)		(3.38)	(2.22)
	(2) Diluted (in Rs.)		(3.38)	(2.22)

As per our report of even date
For BATLIBOI & PUROHIT
Chartered Accountants
Firm Regn No.101048W

ATUL MEHTA
Partner
Membership No.15935

Mumbai, Dated 04th June,2021

Vikram Surendran
(DIN: 07322381)
Director

R.S.Moorthy
(DIN: 02706251)
Director

Forbes Enviro Solutions Limited

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

	Year ended March 31, 2021 `	Year ended March 31, 2020 `
Cash flows from operating activities		
Profit/loss before tax for the year	(1,62,25,200)	(56,82,227)
Adjustments for:		
Finance costs recognised in profit or loss	19,45,793	39,67,654
Unwinding Interest on Lease Liabilities	41,475	59,500
Investment Loss/ (gain) recognised in profit or loss	(1,02,337)	50,519
Interest Income	(2,00,597)	(3,20,815)
(Profit)/Loss on disposal of property, plant and equipment	91,586	-
Provision for Doubtful Debts/Advances	24,81,746	14,47,992
Bad Debts/Advances written off	-	79,790
Depreciation and amortisation of fixed assets/ intangibles	5,23,707	5,61,405
Amortisation of Right-of use Assets	8,92,399	8,50,742
Remeasurement of defined benefit plans disclosed under OCI	1,63,381	(75,112)
Movements in working capital:		
(Increase)/decrease in trade and other receivables	20,41,339	4,87,08,092
(Increase)/decrease in inventories	95,02,641	(1,17,32,752)
(Increase)/decrease in current other assets	53,81,944	(50,62,262)
(Increase)/decrease in current other financial assets	3,96,588	80,000
(Increase)/decrease in non current other financial assets	-	(1,11,139)
Increase/ (decrease) in trade and other payables	(52,40,020)	(2,54,05,115)
Increase/(decrease) in provisions	(73,301)	(61,623)
Increase/(decrease) in other liabilities	(29,85,443)	23,06,691
Cash generated from operations	**(13,64,299)**	**96,61,340**
Income taxes paid (net of refunds)	23,02,131	(6,42,456)
Net cash generated by operating activities	**9,37,832**	**90,18,884**
Cash flows from investing activities		
Interest Income	2,16,234	4,11,898
Net Movement in Bank Balance not considered as Cash & Cash equivalents	14,43,294	(3,76,039)
Net cash (used in)/generated by investing activities	**16,59,528**	**35,859**
Cash flows from financing activities		
Proceeds from shares issued during the year	-	2,00,00,000
Net increase / (decrease) in working capital borrowings	-	(2,98,24,120)
Interest expense	(19,45,793)	(39,67,654)
Lease Liability paid	(9,18,360)	(9,18,360)
Net cash used in financing activities	**(28,64,153)**	**(1,47,10,134)**
Net increase in cash and cash equivalents	**(2,66,793)**	**(56,55,391)**
Cash and cash equivalents at the beginning of the year	22,47,566	79,02,957
Cash and cash equivalents at the end of the year	**19,80,773**	**22,47,566**
Less: Bank Overdraft	-	-
Net Cash and cash equivalents at the end of the year	**19,80,773**	**22,47,566**
	-	-

As per our report of even date
For BATLIBOI & PUROHIT
Chartered Accountants
Firm Regn No.101048W

Vikram Surendran
(DIN: 07322381)
Director

ATUL MEHTA
Partner
Membership No.15935

R.S.Moorthy
(DIN: 02706251)
Director

Mumbai, Dated 04th June,2021

Statement of changes in equity for the year ended March 31, 2021

a. Equity share capital	No.of Shares	Amount `
Balance at April 1, 2019	**28,27,263**	**2,82,72,630**
Changes in equity share capital during the year	20,00,000	-
Balance at March 31, 2020	**48,27,263**	**2,82,72,630**
Changes in equity share capital during the year	-	-
Balance at March 31, 2021	**48,27,263**	**2,82,72,630**

B. Other Equity

	Attributable to Owners		
		Items Of Other Comprehensive Income	Total Other Equity
	Retained earnings	Remeasurement of Employee benefit	
	`	`	`
Balance at 1st April 2019	(2,17,46,107)	-	(2,17,46,107)
Profit for the year	(89,24,699)		(89,24,699)
Other comprehensive income for the year, net of income tax	-	(75,112)	(75,112)
Transfer to retained earnings	(75,112)	75,112	-
Total comprehensive income for the year 31st March 2020	**(3,07,45,918)**	**-**	**(3,07,45,918)**
Profit for the year	(1,63,04,520)	-	(1,63,04,520)
Other comprehensive income for the year, net of income tax	-	1,63,381	1,63,381
Total comprehensive income for the year 31st March 2021	**(1,63,04,520)**	**1,63,381**	**(1,61,41,139)**
Transfer to retained earnings	(1,63,381)	1,63,381	**-**
Balance as at 31st March 2021	**(4,68,87,057)**	**-**	**(4,68,87,057)**

As per our report of even date
For BATLIBOI & PUROHIT
Chartered Accountants
Firm Regn No.101048W

Vikram Surendran
(DIN: 07322381)
Director

ATUL MEHTA
Partner
Membership No.15935

R.S.Moorthy
(DIN: 02706251)
Director

Mumbai, Dated 04th June,2021

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

1.Background

Forbes Enviro Solutions Limited is a limited company incorporated in India. Its parent Company is Eureka Forbes Limted and ultimate holding company is Shapoorji Pallonji and Company Private Ltd

Registered office is at B1/ B2 Marathon Innova, Off Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400013. The Company is engaged in manufacturing and trading of Water and Waster Water Treatment plants and taking OEM's and Trading of Packaged Drinking Water etc.

2. Basis of preparation

a. Statement of compliance

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

The financial statements were authorised for issue by the Company's Board of Directors on 4th June, 2021.

Details of the Company's accounting policies are included in Note 3.

b. Functional and presentation currency

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

c. Basis of measurement

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

d. Use of estimates and judgements

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

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

Judgements

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

- Note 3(c)(iii) and 4 – useful life of Property, plant and equipment
- Note 3(d)(iii) and 5 – useful life of Intangible assets
- Note 3(g) and 29 – employee benefit plans
- Note 3(h) and 32 – provisions and contingent liabilities
- Note 3(l) and 27 – Income taxes
- Note 3(j) and 31 – Lease classification

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2021 is included in the following notes:

-Note 16 – recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;

-Note 33 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;

e. Measurement of fair values

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

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

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

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

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

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

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure

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

Further information about the assumptions made in measuring fair values is included in the following note:
- Note 36 – financial instruments.

3. Significant accounting polices

a. Foreign currency transactions

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

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

b. Financial instruments

i. *Recognition and initial measurement*

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

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

ii. ***Classification and subseauent measurement***

Financial assets

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

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

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

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

Financial assets: Subsequent measurement and gains and losses

- Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

- Financial assets at amotised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

-Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

-Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

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

iii. *Derrecogniton*

Financial assets

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

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

Financial liabilities

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

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

iv. *Offsetting*

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

c. Property, plant and equipment

i. Recognition and measurement

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

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

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

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

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

ii. Subsequent expenditure

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

iii. Depreciation

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

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

Asset	Management estimate of useful life	As per Schedule II of Companies Act
Plant and machinery	15yrs	15yrs
Office equipments	3- 5yrs	5yrs
Furniture and fixtures	10yrs	10yrs
Computers	3yrs	3yrs
Vehicles- Motor car	8 yrs	8yrs
Vehicle- Motor bike	10 yrs	10yrs
Electric fittings	10yrs	10yrs

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

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

d. Intangible assets

i. Acquired intangible

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

ii. Subsequent expenditure

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

iii. Amortisation

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

The estimated useful live is as follows:

- Software 5 years

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

e. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity. (refer note 9)

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

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

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

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

f. Impairment

i. Impairment of financial instruments

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

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

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

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

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

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

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

ii. Impairment of non-financial assets

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

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

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

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

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

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

g. Employee benefits

i. ***Short-term employee benefits***

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

ii. ***Defined contribution plans***

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

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

iii. Defined benefit plans

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

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

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

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

iv. Other long-term employee benefits

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

h. Provisions and contingent liabilities

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

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

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

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

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

i. Revenue

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. This *inter alia* involves discounting of the consideration due to the present value if payment extends beyond normal credit terms. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing effective control over, or managerial involvement with, the goods, and the amount of revenue can be measured reliably.

J.Impact of initial application of Ind AS 116 Leases

On 30 March 2019, the Ministry of Corporate Affairs (MCA) notified Ind AS 116, 'Leases' as part of the Companies (Indian Accounting Standards (Ind AS)) Amendment Rules, 2019. Ind AS 116 replaces existing standard on leases i.e. Ind AS 17, Leases with effect from 1st April, 2019 (The initial accounting application date).

Ind AS 116 sets out principles for the recognition, measurement, presentation and disclosure of leases. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. For all leases except as noted above, a lessee is required to recognise a right-of-use asset (ROU Asset) representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments in the balance sheet. Lessee will recognise depreciation of right-of-use assets and interest on lease liabilities in the statement of profit and loss.

The Company as a lessee

The Company's lease asset classes primarily consist of leases for Premises. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains,a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases.

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

Lease payments included in the measurement of the lease liability comprise:

• Fixed lease payments (including in-substance fixed payments) payable during the lease term and under reasonably certain extension options, less any lease incentives;
• Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
• The amount expected to be payable by the lessee under residual value guarantees;
• The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
• Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

As a practical expedient, Ind AS 116 permits a lessee not to separate non-lease components when bifurcation of the payments is not available between the two components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has used this practical expedient. Contingent and variable rentals are recognized as expense in the periods in which they are incurred.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

• The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
• A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under Ind AS 37. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The Company has entered into lease arrangements as a lessee for premises for operating customer relationship center , guest houses, head office and regional offices , residential premises for their employees so as to help the employees to get settled to new location and warehouse for receiving, storing and dispatch of goods.The average term of leases entered into is 3 years. Incase of warehouses, on the basis of past practice the entire period of the contract has been considered for lease term depending on the reasonable certainty to continue with the same service provider. Generally, these lease contracts do not include extension or early termination options.

Extension and termination options are included in many of the leases. In determining the lease term the management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.

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

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of Profit and Loss.

The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Ind AS 116 does not change substantially how a lessor accounts for leases. Under Ind AS 116, a lessor continues to classify leases as either finance leases or operating leases and account for those two types of leases differently. However, Ind AS 116 has changed and expanded the disclosures required, in particular with regard to how a lessor manages the risks arising from its residual interest in leased assets.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

k. Recognition of interest income or expense

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

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

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

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

l. Income tax

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

i. Current tax

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

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

ii. Deferred tax

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

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

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

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

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

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

m. Earnings per share

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

n. Recent accounting pronounecements

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

i. Ind AS 103 - Business Combinations:

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

ii. Ind AS 107 - Financial Instruments: Disclosures:

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

iii. Ind AS 109 - Financial Instruments:

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

iv. Ind AS 116 - Leases:

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

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

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

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

vi. Standards issued but not yet effective:

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

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

4. Property, Plant & Equipments

Cost or deemed cost	**Furniture and fixtures**	**Computers**	**Electrical Fittings**	**Office Equipment**	**Total**
	`	`	`	`	`
As at 01st April 2019	29,64,570	15,00,735	8,54,251	10,61,824	63,81,380
Additions	4,22,117	-	-	3,06,000	7,28,117
Deletions	-	-	-	-	-
As at 31 March 2020	33,86,687	15,00,735	8,54,251	13,67,824	71,09,497
Additions	-	-	-	-	-
Deletions	(2,88,359)	(3,36,227)	-	(1,71,922)	(7,96,508)
As at 31 March 2021	30,98,328	11,64,508	8,54,251	11,95,902	63,12,989
Depreciation					
As at 01st April 2019	16,10,029	13,91,673	5,23,612	9,53,510	44,78,824
Deletions	-	-	-	-	-
Charge for the year	3,42,248	24,155	92,960	88,495	5,47,858
As at 31 March 2020	19,52,277	14,15,828	6,16,572	10,42,005	50,26,682
Deletions	(2,30,523)	(3,19,416)	-	(1,63,327)	(7,13,266)
Charge for the year	3,39,289	9,833	90,157	77,886	5,17,165
As at 31 March 2021	20,61,043	11,06,245	7,06,729	9,56,564	48,30,581
Net Block					
As at 31 March 2020	14,34,410	84,907	2,37,679	3,25,819	20,82,815
As at 31 March 2021	10,37,285	58,263	1,47,522	2,39,338	14,82,408

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

5. Other Intangible Assets

Cost or deemed cost	**Computer Software** `	**Total** `
As at 01st April 2019	15,22,701	15,22,701
Addition	-	-
Deletion	-	-
As at 31 March 2020	15,22,701	15,22,701
Addition	-	-
Deletion	(1,66,875)	(1,66,875)
As at 31 March 2021	13,55,826	13,55,826
Amortisation		
As at 01st April 2019	14,17,521	14,17,521
Charge for the year	13,547	13,547
Deletion	-	-
As at 31 March 2020	14,31,068	14,31,068
Charge for the year	6,542	6,542
Deletion	(1,58,531)	(1,58,531)
As at 31 March 2021	12,79,079	12,79,079
Net Block		
As at 31 March 2020	**91,633**	**91,633**
As at 31 March 2021	**76,747**	**76,747**

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

Financial assets

6. Other Current Investments

Particulars	**As at March 31, 2021** `	**As at March 31, 2020** `
Unquoted Investments (all fully paid)		
(a) Investments in Mutual Funds at FVTPL 357.856 (previous year 357.856) units of `10/- fully paid up in Nippon India - Growth Plan Growth Option	2,39,522	1,37,184
TOTAL UNQUOTED INVESTMENTS at FVTPL	2,39,522	1,37,184

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

7. Trade receivables

Particulars	Non Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2020	As at March 31, 2020
	`	`	`	`
Unsecured, considered good	-	-	1,19,78,535	2,58,21,135
Unsecured , Debts due from related parties (refer note 30 (II))	-	-	1,60,52,407	1,40,09,663
Less: Allowance for doubtful debts	-		44,70,417	1,17,47,188
Total	-	-	2,35,60,525	2,80,83,610

7.1 Trade receivables

The average credit period on sales is between 60-90 days.

Movement in the allowance for doubtful debts

Particulars	**Year ended March 31, 2021**	**Year ended March 31, 2020**
	`	`
Balance at beginning of the year	1,17,47,188	1,02,99,196
Impairment losses recognised on receivables	13,31,003	14,47,992
Amounts written off during the year as uncollectible	86,07,774	-
Balance at end of the year	44,70,417	1,17,47,188

In determining the recoverability of a trade receivable, the Company considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

As at March 31, 2021, trade receivables of Rs.13,31,003/- (as at March 31, 2020 Rs.14,47,992/-) were impaired. The amount of the provision was Rs.44,70,417/- as at March 31, 2021 (as at March 31, 2020 Rs.117,47,188/-; The individually impaired receivables were mainly due to unexpected difficult economic situations. It was assessed that a portion of these receivables is expected to be recovered. The ageing is as follows:

Age of impaired trade receivables

Particulars	**As at March 31, 2021**	**As at March 31, 2020**
180-365 days	-	-
above 365 days	13,31,003	14,47,992
Total	13,31,003	14,47,992

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

8. Other financial assets

Particulars	Non Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
	`	`	`	`
Bank deposits with more than 12 months maturity (refer note 8(i))	1,50,495	17,22,841	-	-
Security deposits				
Security deposits - unsecured considered good - to related parties (refer note 30 (II))	10,000	10,000	-	-
Security deposits - unsecured considered good	9,67,173	10,21,630	-	-
Interest Accrued -				
On fixed deposits with Banks	-	16,021	5,864	5,480
Balance with statutory/ government authorities	1,17,21,880	1,20,64,011	-	-
	1,28,49,548	1,48,34,503	5,864	5,480

8.1 Current year amount of bank deposit of Rs.123,300/- (previous year Rs.126,091/-) is pledged as security towards the Overdraft facility with IDBI Bank of Rs.1,00,000/- (previous year Rs.1,00,000/-) at interest rate of 8.20% (previous year 8.20%). Out of the total Bank deposit pledged with IDBI Bank as of 31st March 2021 the amount of Rs.123,300/- is with maturity more than 12 months .

9. Inventories

Particulars	As at March 31, 2021	As at March 31, 2020
	`	`
a) Inventories (lower of cost and net realisable value) #.		
Raw Material & Spares	1,47,41,957	1,60,05,686
Work in Progress	56,62,333	1,39,01,245
	2,04,04,290	2,99,06,931

Cost of Inventories recognised as an expense include Rs.308,167/- (2019-20 Rs.10,50,000/-) in respect of write - downs of inventory to net realisable value.

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

10. Cash and cash equivalents

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

Particulars	As at March 31, 2021 `	As at March 31, 2020 `
Balances with Banks in current accounts	19,26,839	20,81,953
Cash on hand	53,934	1,65,613
Total Cash & Cash Equivalents	**19,80,773**	**22,47,566**
Bank Balances other than Cash & Cash Equivalents		
Deposits with original maturity of more than 3 months but less than 12 months	31,97,928	30,68,876
Total Bank Balances other than Cash & Cash Equivalents	**31,97,928**	**30,68,876**

11. Other assets

Particulars	Non Current		Current	
	As at March 31, 2021 `	As at March 31, 2020 `	As at March 31, 2021 `	As at March 31, 2020 `
Prepaid expenses	-	-	1,78,295	3,40,126
Balance with statutory/ government authorities	-	-	19,32,010	57,30,991
Gratuity	-	-	4,78,363	1,72,207
Advance to Employees	-	-	69,615	4,18,576
Advances to Vendors - Considered Doubtful	-	-	17,29,215	19,56,799
Less: Provision for doubtful advances	-	-	11,50,743	-
	-	-	5,78,472	19,56,799
Total	-	-	32,36,755	86,18,699

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

12. Equity Share Capital

Particulars	As at March 31, 2021 `	As at March 31, 2020 `
Equity share capital	4,82,72,630	4,82,72,630
Total	4,82,72,630	4,82,72,630
Authorised Share capital :		
50,00,000 fully paid equity shares of ` 10 each	5,00,00,000	5,00,00,000
Issued and subscribed capital comprises:		
48,27,263 fully paid equity shares of `.10 each (as at March 31, 2021: 48,27,263)	4,82,72,630	4,82,72,630
	4,82,72,630	4,82,72,630

12.1 Fully paid equity shares

Particulars	Number of shares	Share capital `
Balance at April 1, 2019	28,27,263	2,82,72,630
Add: Issued during the year	20,00,000	2,00,00,000
Less: Bought back during the year	-	-
Balance at March 31, 2020	48,27,263	4,82,72,630
Add: Issued during the year	-	-
Less: Bought back during the year	-	-
Balance at March 31, 2021	**48,27,263**	**4,82,72,630**

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

12.2 Details of shares held by the holding company, the ultimate controlling party, their subsidiaries and associates

Particulars	Fully paid ordinary shares As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the period - Held by Eureka Forbes Limited	48,27,263	48,27,263
Total as at the end of the period	**48,27,263**	**48,27,263**

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of shares held	**% holding in the class of shares**	**Number of shares held**	**% holding in the class of shares**
Fully paid equity shares				
Eureka Forbes Limited	48,27,263	100%	48,27,263	100%
Total	**48,27,263**	**100%**	**48,27,263**	**100%**

12.4 Capital management

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

The capital structure of the company consists of net debt (borrowings as detailed in notes 17 offset by cash and bank balances) and equity of the Company (comprising issued capital, reserves and retained earnings as detailed in notes 12 to 13).

The company is not subject to any externally imposed capital requirements.

The companys strategy is to maintain a gearing ratio within 10%. The gearing ratio were as follow:

12.4.1 Gearing ratio

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

Particulars	As at March 31, 2021	As at March 31, 2020
Debt (i)	1,50,00,000	1,50,00,000
Cash and bank balances	21,31,268	70,39,283
Net debt	1,28,68,732	79,60,717
Equity (ii)	13,85,573	1,75,26,712
Net debt to equity ratio	**9.29**	**0.45**

Debt is defined as long- and short-term borrowings (excluding derivative, financial guarantee contracts and contingent consideration), as described in note 17.

13. Other equity

Particulars	As at March 31, 2021 `	As at March 31, 2020 `
Retained earnings		
Balance at beginning of year	(3,07,45,918)	(2,17,46,107)
Add/ (less): Profit/ (loss) for the year	(1,63,04,520)	(89,24,699)
Add: Transfer from OCI	1,63,381	(75,112)
Balance at end of the year	**(4,68,87,057)**	**(3,07,45,918)**

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

Financial Liabilities

14. Other financial liabilities

Particulars	Non Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
(a) Interest accrued but not due on borrowings	-	-	3,90,022	195
(b) Deposits for Jars	-	-	6,32,440	6,32,440
(c) Others :-				
-Dues to employees	-	-	19,73,779	25,83,705
-Dues to Others	-	-	15,27,497	11,74,336
(d) Statutory liabilities (Contributions to PF,Pension, ESIC,withholding Taxes,VAT,GST etc.)	-	-	15,73,290	35,03,205
Total	-	-	60,97,028	78,93,881

15. Provisions

Particulars	Non Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Employee benefits on Compensated absence	2,18,997	2,71,375	65,882	52,337
Provision for Warranty (see 15.1)	-	-	43,560	78,028
Total	**2,18,997**	**2,71,375**	**1,09,442**	**1,30,365**

15.1 Provision for Warranty

The company gives warranty on certain products, undertaking to repair or replace the items that fail to perform satisfactorily during the warranty period. Warranty provisions are made for expected future outflows where no reimbursements are expected and estimated based on using historical information on the nature frequency and average cost of warranty claims. The Table given below gives information about movement in warranty provisions.

Particulars	As at March 31, 2021	As at March 31, 2020
At the beginning of the year	78,028	1,36,254
Additions during the year	43,560	78,028
Utilization during the year	-	-
Amount reversed /(utilisation) during the year	78,028	1,36,254
At the end of the year	**43,560**	**78,028**

16. Other Liabilities

Particulars	Non Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
(a) Advance received from Customers	-	-	4,98,935	16,87,525
Total	**-**	**-**	**4,98,935**	**16,87,525**

17. Current Borrowings

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured - at amortised cost		
(a) Loans repayable on demand from related party (refer note (i) below)	1,50,00,000	1,50,00,000
Total	1,50,00,000	1,50,00,000

(i) Amounts repayable to related parties of the Group. Interest of 11.40% per annum is charged on the outstanding loan balances (as at March 31, 2020 11.40%).

18. Trade payables

	Non Current		Current	
Particulars	**As at March 31, 2021**	**As at March 31, 2020**	**As at March 31, 2021**	**As at March 31, 2020**
Trade payables - MSME (Refer note below 18.1 for dues to Micro and Small Enterprises)	-	-	23,42,015	54,40,183
Trade payables (including acceptances)	-	-	4,47,37,193	4,74,77,810
Trade payables to related parties (refer note 30 (II))	-	-	6,48,351	49,586
Total	**-**	**-**	**4,77,27,559**	**5,29,67,579**

The average credit period for purchase of certain goods is 60-90 days. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

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

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Principal amount remaining unpaid to MSME suppliers as on year end	23,22,140	53,81,821
(ii) Interest due on unpaid principal amount to MSME suppliers as on year end	19,875	58,362

19. Income tax assets and liabilities

	Non Current		Current	
Particulars	**As at March 31, 2021**	**As at March 31, 2020**	**As at March 31, 2021**	**As at March 31, 2020**
Current tax assets (Net)				
Advance income-tax (Net of provision of taxation)	42,71,845	1,00,24,512		-
Total	42,71,845	1,00,24,512		-
Current tax Liabilities				
Provision for Taxation (Net of Advance Tax)	-	-	2,61,275	36,32,490
Total	-	-	2,61,275	36,32,490

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

20. Revenue from operations

Particulars	Year ended March 31, 2021 `	Year ended March 31, 2020 `
(a) Sale of - Products	7,09,18,511	14,40,83,792
- Traded Goods	9,84,072	45,04,307
(b) Sale of services	65,60,239	1,48,27,169
Total	**7,84,62,822**	**16,34,15,268**

21. Other Income and other gains/ (losses)

21.1 Other Income	Year ended March 31, 2021 `	Year ended March 31, 2020 `
Interest on Bank deposits (at amortised cost)	2,00,597	3,20,815
Interest on Income Tax Refund	1,19,087	-
Others - Misc Receipts	57,902	2,27,108
Total	**3,77,586**	**5,47,923**

21.2 Other gains/(losses)	Year ended March 31, 2021 `	Year ended March 31, 2020 `
Net foreign exchange gains/(losses)	1,406	-
Net gain/(loss) arising on financial assets measured at FVTPL	1,02,337	(50,519)
Total	**1,03,743**	**(50,519)**
Total (21.1+ 21.2)	**4,81,329**	**4,97,404**

22. Cost of materials consumed

Particulars	Year ended March 31, 2021 `	Year ended March 31, 2020 `
Inventory at the beginning of the year	1,60,05,686	1,67,25,762
Add:- Purchases	5,81,55,138	12,85,59,717
Less:- Inventory at the end of the year	(1,47,41,957)	(1,60,05,686)
Cost of Raw Material & Components consumed	5,94,18,867	12,92,79,793
Purchase of traded products	4,73,294	45,14,490
Changes in inventories of finished goods, work-in-progress and stock-in-trade.	82,38,912	(1,24,52,828)

23. Employee benefits expense

Particulars	Year ended March 31, 2021 `	Year ended March 31, 2020 `
Salaries and Wages	1,31,34,139	1,64,19,984
Contribution to provident and other funds	6,31,306	8,83,789
Staff Welfare Expenses	7,245	4,15,552
Total	**1,37,72,690**	**1,77,19,325**

24. Finance costs

	Year ended March 31, 2021 `	Year ended March 31, 2020 `
Bank Charges	31,103	3,75,920
Interest on bank overdrafts and loans (other than those from related parties)	1,696	588
Bill Discounting Charges	2,02,989	9,33,228
Unwinding Interest on lease liabilities	41,475	59,500
Interest on ICD from holding company	17,10,005	26,57,918
Total	**19,87,268**	**40,27,154**

25. Depreciation and amortisation expense

Particulars	Year ended March 31, 2021 `	Year ended March 31, 2020 `
Depreciation of property, plant and equipment (Note 4)	5,17,165	5,47,858
Amortisation of Right of use Assets	8,92,399	8,50,742
Amortisation of intangible assets (Note 5)	6,542	13,547
Total depreciation and amortisation pertaining to continuing operations	**14,16,106**	**14,12,147**

26. Other expenses

Particulars	Year ended March 31, 2021 `	Year ended March 31, 2020 `
Electricity	2,71,113	7,99,340
Rent	9,30,352	16,52,416
Repairs and Maintenance - Others	75,572	3,54,352
Insurance	3,79,509	5,64,374
Selling and Sales Promotion	-	60,000
Freight, Forwarding and Delivery	7,71,847	75,63,899
Payment to Auditors (Refer details Below)	4,73,500	6,72,701
Printing and Stationery	45,546	1,41,838
Communication cost	2,99,510	5,34,769
Travelling and Conveyance	7,69,828	27,67,191
Legal and Professional Fees	4,99,492	6,45,962
Vehicle Running Expenses	4,950	16,665
Rates and taxes, excluding taxes on income	6,32,518	11,14,996
Service Charges	14,24,480	37,38,494
Loss on sale/Scrap of fixed assets (net)	91,586	-
Other Establishment Expenses	7,10,665	29,40,039
Bad Debts/Advances written off	-	79,790
Provision for Doubtful Debts/Advances	24,81,746	14,47,992
Total	**98,62,214**	**2,50,94,818**

Payments to auditors	Year ended March 31, 2021 `	Year ended March 31, 2020 `
a) For audit	3,56,000	3,56,000
b) For taxation matters	87,500	87,500
c) For other services	30,000	45,000
d) Limited Review Fees	-	1,50,000
e) For reimbursement of expenses	-	34,201
Total	**4,73,500**	**6,72,701**

27. Income taxes

27.1 Income tax recognised in profit or loss

Particulars	Year ended March 31, 2020 `	Year ended March 31, 2020 `
Current tax		
In respect of prior years	79,320	1,21,215
	79,320	**1,21,215**
Deferred tax		
In respect of the year	-	31,21,257
Total income tax expense recognised in the current year	**79,320**	**32,42,472**

27.2 Income Taxes

(a) Amounts recognised in profit and loss

Particulars	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**
		`
Current income tax	-	-
Prior year tax Provision	79,320	1,21,215
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	-	31,21,257
Reduction in tax rate		
Recognition of previously unrecognised tax losses		
Change in recognised deductible temporary differences		
Deferred tax	-	31,21,257
Tax expense for the year	**79,320**	**32,42,472**

(b) Amounts recognised in other comprehensive income

Particulars	**For the year ended March 31, 2021**			**For the year ended March 31, 2020**		
	Before tax	**Tax (expense) benefit**	**Net of tax**	**Before tax**	**Tax (expense) benefit**	**Net of tax**
	`	`	`	`	`	`
Items that will not be reclassified to profit or loss						
Changes in revaluation surplus						-
Remeasurements of the defined benefit plans				(75,112)	-	-
				(75,112)	**-**	**-**

(c) Reconciliation of effective tax rate

Particulars	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**
	`	`
Profit/ (Loss) before tax	**(1,62,25,200)**	**(56,82,227)**
Revised Profit before tax	**(1,62,25,200)**	**(56,82,227)**
Tax using the Company's domestic tax rate (Current year Nil and Previous Year Nil)	-	-
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:	-	(31,21,257)
	-	(31,21,257)

Effective tax rate

The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority

Significant management judgement is required in determing the provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income by each jurisdiction in which the relevant entity operates and the period over which the deferred income tax assets will be recovered.

Owing to losses in the current year, no provision for current tax has been made.

Notes to the financial statements

28. Earnings per share (EPS)

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

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

i. Profit/(Loss) attributable to Equity holders

	March 31, 2021 `	March 31, 2020 `
Profit/(Loss) attributable to equity holders:	(1,63,04,520)	(89,24,699)
Profit/(Loss) attributable to equity holders for basic earnings	(1,63,04,520)	(89,24,699)

ii. Weighted average number of ordinary shares

	March 31, 2021 Nos.	March 31, 2020 Nos.
Issued ordinary shares at April 1	48,27,263	29,27,263
Effect of shares issued during the year	-	11,85,792
Weighted average number of shares at June 30 for basic EPS	48,27,263	40,13,055
Effect of dilution:		-
Weighted average number of shares at March 31 for EPS afte dilution	**48,27,263**	**40,13,055**

Basic and Diluted earnings per share

	March 31, 2021 `	March 31, 2020 `
Basic earnings per share	(3.38)	(2.22)
Diluted earnings per share	(3.38)	(2.22)

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

29. Employee benefit plans

29.1 Defined contribution plans

The Company operates defined contribution retirement benefit plans for all qualifying employees of its Company. The assets of the plans are held with central government. Where employees leave the plans prior to full vesting of the contributions, the contributions payable by the Company are reduced by the amount of forfeited contributions.

	Year ended March 31, 2021	Year ended March 31, 2020
Amount recognised as expense and included in note 23 as contribution to provident and other funds	6,31,306	8,83,789

29.2 Defined benefit plans

The Company has a defined benefit gratuity scheme for employees who have completed minimum 5 years of service. The scheme is funded with Life Insurance Corporation (LIC).

Investment risk	The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. For other defined benefit plans, the discount rate is determined by reference to market yields at the end of the reporting period on high quality corporate bonds when there is a deep market for such bonds; if the return on plan asset is below this rate, it will create a plan deficit. Currently the plan has a relatively balanced investment in LIC. Due to the long-term nature of the plan liabilities, the board of the Fund considers it appropriate that a reasonable portion of the plan assets should be invested in equity securities and in real estate to leverage the return generated by the Fund.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The risk relating to benefits to be paid to the dependents of plan members (widow and orphan benefits) is not funded.

No other post-retirement benefits are provided to these employees.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at March 31, 2021 by an independent actuary. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

The principal assumptions used for the purposes of the actuarial valuations were as follows.

Particulars	Valuation as at	
	Year ended March 31, 2021	Year ended March 31, 2020
Discount rate(s)	6.57%	6.56%
Expected rate(s) of salary increase	5.00%	5.00%
Mortality rates*	Indian Assured Lives Mortality (2006-08) Ult	Indian Assured Lives Mortality (2006-08) Ult
Employee turnover	10%	10%

* Based on India's standard mortality table with modification to reflect expected changes in mortality.

Amounts recognised in statement of profit and loss in respect of these defined benefit plans are as follows.

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Service cost:		
Current service cost	1,06,181	1,07,753
Past service cost and (gain)/loss from settlements	-	-
Net interest cost	(11,297)	(25,230)
Components of defined benefit costs recognised in profit or loss	94,884	82,523
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)	(1,14,085)	1,12,293
Actuarial (gains) / losses arising from changes in demographic assumptions	-	-
Actuarial (gains) / losses arising from changes in financial assumptions	(554)	64,359
Actuarial (gains) / losses arising from experience adjustments	(48,742)	(1,01,140)
Others		
Components of defined benefit costs recognised in other comprehensive income	**(1,63,381)**	**75,512**
Total	**(68,497)**	**1,58,035**

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the statement of profit and loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows.

Particulars	As at March 31, 2021	As at March 31, 2020
Present value of funded defined benefit obligation	(14,84,013)	(15,62,300)
Fair value of plan assets	19,62,376	17,34,507
Funded status	4,78,363	1,72,207
Restrictions on asset recognised Others		
Net Asset arising from defined benefit obligation	**4,78,363**	**1,72,207**

Movements in the present value of the defined benefit obligation are as follows.

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Opening defined benefit obligation	15,62,300	14,67,653
Current service cost	1,06,181	1,07,753
Interest cost	1,02,487	1,12,129
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in demographic assumptions	-	-
Actuarial gains and losses arising from changes in financial assumptions	(554)	64,359
Actuarial gains and losses arising from experience adjustments	(48,742)	(1,01,140)
Liability transferred in / acquisition	-	-
Past service cost, including losses/(gains) on curtailments		
Liabilities extinguished on settlements		
Benefits paid directly by the Employer	(2,37,659)	
Benefits paid	-	(88,454)
Closing defined benefit obligation	**14,84,013**	**15,62,300**

Movements in the fair value of the plan assets are as follows.

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Opening fair value of plan assets	17,34,507	17,97,895
Interest income	1,13,784	1,37,359
Remeasurement gain (loss):	-	-
Return on plan assets (excluding amounts included in net interest expense)	1,14,085	(1,12,293)
Others	-	-
Contributions from the employer		
Contributions from plan participants	-	-
Assets distributed on settlements	-	-
Assets transferred in / acquisitions	-	-
The effects of changes in Foreign Exchange Rates	-	-
Benefits paid	-	(88,454)
Closing fair value of plan assets	**19,62,376**	**17,34,507**

Expenses Recognised in the Statement of Profit or Loss for Current Period

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Current Service Cost	1,06,181	1,07,753
Net Interest Cost	(11,297)	(25,230)
Acturial (Gain)/ Losses		
Expenses Recognised in the Statement of Profit or Loss	94,884	82,523

Expenses Recognised in other comprehensive Income (OCI) for Current Period

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Acturial (Gains)/ losses on Obligation for the period	(49,296)	(36,781)
Return on Plan Assets, excluding interest income	(1,14,085)	1,12,293
Change in asset ceiling		
Net (income) / expense for the period recognised in OCI	**(1,63,381)**	**75,512**

Balance Sheet Reconcilation

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Opening Net Liability	(1,72,207)	(3,30,242)
Expense Recognised in Statement of Profit or Loss	94,884	82,523
Expense Recognised in other comprehensive income	(1,63,381)	75,512
Net Liability /(Asset) Transfer In	-	-
Net Liability /(Asset) Transfer Out	-	-
(Benefit paid Directly by the Employer)	(2,37,659)	-
(Employer's Contribution)	-	-
Net Liability /(Asset) Recognised in the Balance Sheet	**(4,78,363)**	**(1,72,207)**

Sensitivity Analysis

Particulars	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2017
Presented benefit obligation on current assumptions	14,84,013	15,62,300	14,67,653	13,13,534	13,19,451
Discount rate (1% increase)	(52,150)	(59,879)	(56,713)	(72,431)	(77,673)
Discount rate (1% decrease)	59,115	67,921	64,171	81,492	87,914
Future salary growth (1% increase)	59,453	68,304	65,230	82,962	88,992
Future salary growth (1% decrease)	(53,359)	(61,262)	(58,577)	(74,923)	(79,932)
Attrition movement (1% increase)	4,861	6,598	12,017	14,006	10,715
Attrition movement (1% decrease)	(5,552)	(7,443)	(13,473)	(15,823)	(12,344)

Notes to the financial statements

30. Related party transaction

(I) Name of related Party and nature of relationship where control exists are as under :

A Enterprises having more than one half of Voting Powers -
Shapoorji Pallonji and Company Pvt. Ltd. - Ultimate Holding Company
Eureka Forbes Limited Holding Company

B. Enterprises under Common Control -(where there are transactions)
Afcon Insfrastructure Ltd
Sterling and Wilson Ltd
Eureka Forbes Institute of Environment
Forbes Facility Services Private Limited

(II) Transactions with Related Parties for the year ended 31st March, 2021

	A				B									
Nature of Transactions	**Eureka Forbes Limited**		**Shapoorji Pallonji and Company Private Limited**		**Forbes Facility Services Private Limited**		**Afcon Infrastructure Ltd.**		**Sterling & Wilson Pvt. Ltd.**		**Forbes Lux FZCO**		**Eureka Forbes Institute of Environment**	
	`	`	`	`	`	`	`	`	`	`	`	`	`	`
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	*2019-20*	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Purchases														
Goods and Materials	46,70,816	*1,29,85,703*	-	-	-	-	-	-	-	-	-	-	-	-
Services Rendered	1,45,661	*2,42,530*		-	5,13,973	42,747	-	-	-	-	-	-	-	-
Fixed Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	48,16,477	*1,32,28,233*	-	-	5,13,973	*42,747*	-	-	-	-	-	-	-	-
Sales														
Goods and Materials	6,39,34,012	*12,17,25,323*	1,10,147	66,55,659	-	-	-	-	-	-	74,569	-	-	37,86,620
Services Rendered	18,77,044	*83,88,363*	22,98,605	8,45,004	-	-	-		-	-		-	-	-
Recovery of Expenses	-	*17,96,239*	-											
	6,58,11,056	*13,19,09,925*	24,08,752	*75,00,663*	-	-	-	-	-	-	74,569	-	-	*37,86,620*
Expenses														
Rent and other services	11,53,484	*9,74,614*	20,218	86,462		-	-	-	-	-	-	-	-	-
Interest on ICD Taken	17,10,005	*26,57,818*	-				-	-	-	-	-	-	-	-
	28,63,489	*36,32,432*	20,218	*86,462*	-	-	-	-	-	-	-	-	-	-
Finance														
Inter-corporate deposits repaid	-	*2,00,00,000*	-	-	-	-	-	-	-	-	-	-	-	-
Equity Shares Issued	-	*2,00,00,000*	-	-	-	-	-	-	-	-	-	-	-	-
Outstanding														
Trade Payables	-		-		6,48,351	49,586	-	-	-	-	-	-	-	-
Accured Interest on ICD	3,90,022													
Inter-corporate deposits Payable	1,50,00,000	1,50,00,000	-	-	-	-	-	-	-	-		-	-	-
Trade Receivables	83,38,413	53,67,938	76,07,718	77,47,301	-	-	18,657	*1,93,057*	11,644	*11,644*	75,975	-	-	*6,89,722*
Other Deposits Receivable	10,000	*10,000*	-	-	-	-	-	-	-	-			-	-

31. Operating leases

Company as a lessor:

Requirements with regard to lessor accounting are substantially similar to accounting requirements contained in Ind AS 17. Accordingly, Company will continue to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

Company as a lessee:

The Company adopted Ind AS 116 “Leases” and applied the standard to all lease contracts existing on April 1, 2020 using the modified prospective method. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as at the date of initial application of the standard, and discounted at the Company’s incremental borrowing rate at the date of initial application.

The change in accounting policy affected the following items in Balance Sheet-

Right of Use asset increased by - ₹ 8,24,121/-
Lease Liability increased by - ₹ 8,24,121/-

The following is the summary of practical expedients elected on initial application:

1 The Company has not reassessed whether a contract is or contains a lease at the date of initial application.
2 Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
3 Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
4 Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
5 Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.
6 The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2020 is 10.25%

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2021:

Particulars	Category Premises	Total
	`	`
Balance as at April 1, 2020	**1,95,252**	**1,95,252**
Reclassified on account of adoption of Ind AS 116		-
Additions*	8,24,121	8,24,121
Deletion	-	-
Depreciation	(8,92,399)	(8,92,399)
Balance as at March 31, 2021	**1,26,974**	**1,26,974**

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of Profit and Loss.

The following is the break-up of current and non-current lease liabilities as at March 31, 2021

Particulars	As at March 31, 2021
	`
Current lease liabilities	1,34,370
Non-current lease liabilities	-
Total	**1,34,370**

The following is the movement in lease liabilities during the year ended March 31, 2021:

Particulars	As at March 31, 2021
	`
Balance at the beginning	**1,87,134**
Additions	8,24,121
Finance cost accrued during the period	41,475
Deletions	-
Payment of lease liabilities	(9,18,360)
Translation Difference	
Balance at the end	**1,34,370**

Amounts recognised in profit and loss

Particulars	As at March 31, 2021
	`
Depreciation expense on right-of-use assets	8,92,399
Interest expense on lease liabilities	41,475
Expense relating to short-term leases	9,30,352

32. Contingent liabilities

	Particulars	As at March 31,2021	As at March 31,2020
		`	`
	Claim against the company not acknowledged as debt		
1	Income tax matters	Nil	3,30,557
2	Sales Tax Matters F.Y.2002-2003 and 2004-05	86,150	86,150
3	Bank Guarantees	12,21,696	12,21,696

Notes:

The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.

33. Segment reporting

The Company was set up with the objective of manufacturing water treatment products. This is the only activity performed and is thus also the main source of risks and returns. Accordingly, the Company has a single reportable segment. Further, as the Company does not operate in more than one geographical segment, hence the relevant disclosures as per Ind AS 108 are not applicable to the company. One customer (related party) accounts for more than 10% of the total revenue of the company.

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

Notes to the financial statements

35. Financial instruments – Fair values and risk management

A. Accounting classification and fair values

-

	March 31, 2021			March 31, 2020		
	FVTPL	**FVTOCI**	**Amotised Cost**	**FVTPL**	**FVTOCI**	**Amotised Cost**
Financial assets						
Cash and cash equivalents	-	-	19,80,773	-	-	22,47,566
Other bank balances	-	-	31,97,928	-	-	30,68,876
Long-term loans and advances	-	-	-	-	-	-
Short-term loans and advances	-	-	-	-	-	-
Trade and other receivables	-	-	2,35,60,525	-	-	2,80,83,610
Current Investments	2,39,522	-		1,37,184	-	-
Non Current Investments	-	-	-	-	-	-
Other Current financial Asset	-	-	5,864	-	-	5,480
Other Non Current financial Asset	-	-	1,28,49,548	-	-	1,48,34,503
				-	-	
Total Financial Asset	**2,39,522**	**-**	**4,15,94,638**	**1,37,184**	**-**	**4,82,40,035**
Financial liabilities				-	-	
Trade and other payables	-	-	4,77,27,559	-	-	5,29,67,579
Other Current financial liabilities	-	-	60,97,028	-	-	78,93,881
Other Non Current financial liabilities	-	-	-	-	-	-
Current Borrowings	-	-	1,50,00,000	-	-	1,50,00,000
Non Current Borrowings	-	-	-	-	-	-
	-	-	-	-	-	
Total Financial Liabilities	**-**	**-**	**6,88,24,587**	**-**	**-**	**7,58,61,460**

Fair value Hierarchy

This section explains the judgement and the estimates made in determiningg the fair values of the financial instuments that are (a) recognised and measured at fair value and(b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

		March 31, 2021				March 31, 2020			
Assets and Liabilities which are measured at amortised cost for which fair values are disclosed	**Notes**	**Level 1**	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets									
Long-term loans and advances		-	-	-	-	-	-	-	-
Short-term loans and advances		-	-	-	-	-	-	-	-
Trade and other receivables		-	-	-	-	-	-	-	-
Current Investments	6	2,39,522	-	-	2,39,522	1,37,184	-	-	1,37,184
Non Current Investments		-	-	-	-	-	-	-	-
Other Current financial Asset		-	-	-	-	-	-	-	-
Other Non Current financial Asset		-	-	-	-	-	-	-	-
Total Financial Asset		**2,39,522**	**-**	**-**	**2,39,522**	**1,37,184**	**-**	**-**	**1,37,184**
Financial liabilities									
Trade and other payables		-	-	-	-	-	-	-	-
Other Current financial liabilities		-	-	-	-	-	-	-	-
Other Non Current financial liabilities		-	-	-	-	-	-	-	-
Current Borrowings		-	-	-	-	-	-	-	-
Non Current Borrowings		-	-	-	-	-	-	-	-
Total Financial Liabilities		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Level 1 : Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (inlcuding bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2 : The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivates) is determined using valuation techniques which maximise the use ofobservable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3 : If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

Valuation techniques and significant unobservable inputs

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments.
- the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- the fair value of forward foreign excahnge contracts and principal swap is determined using forward exchange rates at the balance sheet date.
- the fair value of foreign currency option contracts is determined using the Black Scholes valuation model.
- the fair value of the remaining financial instruments is determined using the discounted cash flow analysis.

All of the resulting fair value estimates are included in level 2 except for unlisted equity securities, contingent consideration and indemnification asset, where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

C. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

i. Risk management framework

The Company's board of directors has overall

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

The board oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The board is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the board.

35. Financial instruments – Fair values and risk management (contd)

Impairment

At March 31, 2021, the ageing of trade and other receivables that was as follows:

	Carrying amount (in INR)	
	March 31, 2021	**March 31, 2020**
Not due	91,08,501	80,71,968
0-30 days	14,95,040	9,16,216
31-60 days	2,41,691	10,86,879
61-90 days	74,569	2,94,661
91-180 days	1,76,471	18,73,434
181-365 days	6,38,454	39,42,832
365 days and above	1,62,96,216	2,36,44,808
	2,80,30,942	3,98,30,798

Management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk.

An analysis of the credit quality of trade and other receivables that are neither past due nor impaired is as follows.

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows.

	INR
	Collective impairments
Balance as at April 1, 2019	1,02,99,196
Impairment loss recognised	14,47,992
Amounts written off	-
Balance as at March 31, 2020	1,17,47,188
Impairment loss recognised	13,31,003
Amounts written off	86,07,774
Balance as at March 31, 2021	44,70,417

At March 31, 2021, there was an impairment loss of INR 13,31,003/- related to a several customers where the company is doubtful of recovery. The Company believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit ratings if they are available.

Cash and cash equivalents

The Company held cash and cash equivalents of INR 19,80,773/- at March 31, 2021 (March 31, 2020: INR 22,47,566/-).

35. Financial instruments – Fair values and risk management (contd)
B. Measurement of fair values

C. Financial risk management
The Company has exposure to the following risks arising from financial instruments:
▪ Credit risk ;
▪ Liquidity risk ; and
▪ Market risk

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

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

The board oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The board is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the board.

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities.

The carrying amount of following financial assets represents the maximum credit exposure:

Particulars	As at March 31,2021	As at March 31,2020
Trade receivables	2,35,60,525	2,80,83,610
Cash and cash equivalents	19,80,773	22,47,566
Other bank balances	31,97,928	30,68,876
Other financial assets	1,28,55,412	1,48,39,983

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, and in some cases bank references. Sale limits are established for each customer and reviewed quarterly. Any sales exceeding those limits require approval from the board.

The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables.

At March 31, 2021, the maximum exposure to credit risk for trade and other receivables by geographic region was as follows.

	Carrying amount (in INR)	
	March 31, 2021	March 31, 2020
India	2,34,85,956	2,80,83,610
Other regions	74,569	-
	2,35,60,525	2,80,83,610

At March 31, 2021, the maximum exposure to credit risk for trade and other receivables by type of counterparty was as follows

	Carrying amount (in INR)	
	March 31, 2021	March 31, 2020
Construction (includes related party)	1,07,08,038	1,28,26,672
Education	-	4,29,695
Hospital	43,751	43,751
Hotel	82,600	1,39,973
Manufacturing	18,76,067	30,95,598
Trading Company (includes related party)	1,03,09,575	80,94,238
Others	5,40,494	34,53,683
Total	2,35,60,525	2,80,83,610

At March 31, 2021, the Company's most significant customer other than the related party, a construction company, accounted for INR 30,17,100 /- of the trade and other receivables carrying amount (March 31, 2020 : INR 128,26,672/-).

35. Financial instruments – Fair values and risk management (contd)

iii. Liquidity risk

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

The Company maintains the following lines of credit.
INR 1,00,000/- overdraft facility with IDBI Bank Ltd. that is secured against Fixed Deposit. Interest would be payable at the rate of 8.50%p.a (March 31, 2020: 8.20% p.a).

Exposure to liquidity risk

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

March 31, 2021	Carrying amount	Contractual cash flows				
		Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
INR						
Non-derivative financial liabilities						
Borrowings	1,50,00,000	1,50,00,000	1,50,00,000	-	-	-
Trade and other payables	4,77,27,559	4,77,27,559	4,77,27,559	-	-	-
Other financial liabilities	60,97,028	60,97,028	60,97,028	-	-	-

March 31, 2020	Carrying amount	Contractual cash flows				
		Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
INR						
Non-derivative financial liabilities						
Borrowings	1,50,00,000	1,50,00,000	1,50,00,000	-	-	-
Trade and other payables	5,29,67,579	5,29,67,579	5,29,67,579	-	-	-
Other financial liabilities	78,93,881	78,93,881	78,93,881	-	-	-

35. Financial instruments – Fair values and risk management (contd)

iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments.Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. We are exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of our investments. Thus, our exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

Currency risk

The Company does not use derivative financial instruments for trading or speculative purposes.

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at March 31, 2020 and March 31, 2019 are as below:

	March 31, 2021 **USD**	March 31, 2020 **USD**
Financial assets		
Trade receivables	1,025	-
	1,025	-

The following significant exchange rates have been applied during the year.

	Average rate		**Year-end spot rate**	
INR	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
USD /INR	73.22	74.74	74.12	74.12

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against US dollars at March 31 would have affected the measurement of financial instruments denominated in US dollars and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Profit or loss		**Equity, net of tax**	
Effect in INR	Strengthening	Weakening	Strengthening	Weakening
March 31, 2021				
USD 5% movement	3,799	-	2,625	-
	3,799	-	2,625	-

35. Financial instruments – Fair values and risk management (contd)
v. Interest risk

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

	As at March 31, 2021	As at March 31, 2020
Fixed rate instruments		
Financial assets		
Deposits with banks	33,48,423	47,91,717
Financial Liabilities		
Intercorporate deposit from related parties	1,50,00,000	1,50,00,000
	1,50,00,000	**1,50,00,000**

Cash flow sensitivity analysis for variable-rate instruments

An increase of 50 basis points in interest rates at the reporting date would have decreased gain as at year end by the amounts shown below. This analysis assumes that all other variables remain constant.

Particulars	Profit or loss
March 31,2021	
Variable-rate instruments	-
Cash flow senstivity	**-**
March 31, 2020	
Variable-rate instruments	-
Cash flow senstivity	**-**

A decrease of 50 basis points in the interest rates at the reporting date would have had equal but opposite effect on the amounts shown above, on the basis that all other variable remain constant.

35. **Financial instruments – Fair values and risk management (contd)**

(vi) Price Risk

(a) Exposure

The Company's exposure to mutual fund price risk arises from investment held by the company and classified in the balance sheet as fair value through profit or loss.

(b) Sensitivity

The table below summarises the impact of increases/decreases of the NAV on the company's equity and profit for the period. The analysis is based on the assumption that the NAV is linked to BSE Sensex movement which had increased or decreased by 10% (2020-10%) with all other variables held constant.

	Impact on profit after tax		Impact on other components of equity	
	March 31,2021	**March 31,2020**	**March 31,2021**	**March 31,2020**
Increase in NAV by 10%(2021 - 10%)	23,952	13,718	-	-
Decrease in NAV by 10%(2020 - 10%)	(23,952)	(13,718)	-	-

Profit for the period would increase/decrease as a result of gains/losses on NAV of mutual fund securities classified as at fair value through profit or loss.

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

As per our report of even date *For BATLIBOI & PUROHIT* Chartered Accountants Firm Regn No.101048W	Vikram Surendran (DIN: 07322381)	*Director*
ATUL MEHTA Partner Membership No.15935	R.S.Moorthy (DIN: 02706251)	*Director*
Mumbai, Dated 04th June,2021		

INDEPENDENT AUDITOR'S REPORT

To the Members of **Forbes Enviro Solutions Limited**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Forbes Enviro Solutions Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the loss (including Other Comprehensive Income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

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

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

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

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

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

Responsibility of Management for Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

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

e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

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

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

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

   i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 33 to the financial statements.

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

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

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

Atul Mehta
Partner
Membership No. 15935

Place : Mumbai
Date : 27^{th} June, 2020
ICAI UDIN : 20015935AAAAAB9923

Annexure - A to the Auditors' Report

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

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

(b) The property, plant and equipment were physically verified during the year by the management in accordance with a regular programme of verification which, in our Opinion, provides for physical verification of all the property, plant and equipment at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

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

(ii) According to the information and explanations given to us, the management was unable to conduct physical inventory counting as at year-end as inventories were held in locations which were closed due to Government imposed lockdown for COVID-19. However, the management has conducted physical verification of inventory post year-end with roll-back procedures to the reporting date. In our opinion, the frequency of verification and the duration of roll-back procedures were reasonable. Discrepancies noted on physical verification of inventories were not material, and have been properly dealt with in the books of account.

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

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.

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

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

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

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, employees' state insurance, duty of excise, service tax, goods and service tax, cess and other material statutory dues were in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.

(b) According to information and explanations given to us, the following dues of sales tax and income tax have not been deposited by the Company on account of dispute. There are no dues of service tax, sales-tax, wealth tax, goods and service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.

Name of statute	**Nature of dues**	**Amount under dispute (Rs)**	**Period to which the amount relates**	**Forum where dispute is pending**
Sales Tax Act	Maharashtra Value Added Tax	51,299	2002-03	Commissioner of Sales Tax
	Central Sales Tax	34,851	2004-05	Commissioner of Sales Tax
Income Tax Act	Income Tax Dues	4,350	AY 2010-11	Assessing Authority
		1,15,060	AY 2009-10	Assessing Authority
		53,470	AY 2007-08	Assessing Authority
		1,57,677	AY 2006-07	Assessing Authority

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

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

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

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

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

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

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

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

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

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

Atul Mehta
Partner
Membership No. 15935

Place : Mumbai
Date : 27th June, 2020
ICAI UDIN : 20015935AAAAAB9923

Annexure - B to the Auditors' Report

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

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

We have audited the Internal Financial Controls over financial reporting of **Forbes Enviro Solutions Limited** ("the Company") as of March 31, 2020 in conjunction with our audit of the Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Atul Mehta
Partner
Membership No. 15935

Place : Mumbai
Date : 27th June, 2020
ICAI UDIN : 20015935AAAAAB9923

Forbes Enviro Solutions Limited

BALANCE SHEET AS AT 31ST MARCH, 2020

			Notes	As at March 31, 2020 ₹	As at March 31, 2019 ₹
		ASSETS			
		Non-current Assets			
(a)		Property, plant and equipment	4	20,82,815	26,30,673
(b)		Other Intangible assets	5	91,633	1,05,180
(c)		Right of Use Assets	32	1,95,252	-
(d)		Financial assets			
	(i)	Other financial assets	8	1,48,34,503	1,58,12,066
(e)		Tax assets			
	(i)	Deferred tax asset (Net)	16	-	31,21,257
	(ii)	Current tax asset (Net)	20	1,00,24,512	96,27,203
		Total Non-current Assets		2,72,28,715	3,12,96,379
		Current Assets			
(a)		Inventories	9	2,99,06,931	1,81,74,179
(b)		Financial assets			
	(i)	Investments	6	1,37,184	1,87,703
	(ii)	Trade receivables	7	2,80,83,610	7,83,19,483
	(iii)	Cash and cash equivalents	10	22,47,566	79,02,957
	(iv)	Bank balances other than (iii) above	10	30,68,876	16,86,222
	(v)	Other financial assets	8	5,480	94,476
(c)		Other current assets	11	86,18,699	35,56,437
		Total Current Assets		7,20,68,346	10,99,21,457
		Total Assets		9,92,97,061	14,12,17,836
		EQUITY AND LIABILITIES			
		Equity			
(a)		Equity share capital	12	4,82,72,630	2,82,72,630
(b)		Other Equity	13	(3,07,45,918)	(2,17,46,107)
		Total Equity		1,75,26,712	65,26,523
		Liabilities			
		Non-current Liabilities			
(a)		Financial liabilities		-	-
(b)		Provisions	15	2,71,375	2,70,641
		Total Non-current Liabilities		2,71,375	2,70,641
		Current Liabilities			
(a)		Financial liabilities			
	(i)	Borrowings	18	1,50,00,000	4,48,24,120
	(ii)	Lease Liability	32	1,87,134	-
	(iii)	Trade and other payables			
	(a)	total outstanding dues of micro and small enterprises	19	54,40,183	1,26,05,098
	(b)	total outstanding dues other than (ii) (a) above	19	4,75,27,396	6,57,67,596
	(iv)	Other financial liabilities	14	46,81,915	30,75,399
(b)		Provisions	15	1,30,365	1,92,722
(c)		Current tax liabilities (Net)	20	36,32,490	37,56,421
(d)		Other current liabilities	17	48,99,491	41,99,316
		Total Current Liabilities		8,14,98,974	13,44,20,672
		Total Liabilities		8,17,70,349	13,46,91,313
		Total Equity and Liabilities		9,92,97,061	14,12,17,836
				-	-

As per our report of even date
For BATLIBOI & PUROHIT
Chartered Accountants
Firm Regn No.101048W

Vikram Surendran - *Director*

R.S.Moorthy *Director*

ATUL MEHTA
Partner
Membership No.15935

Mumbai, Dated 27th June,2020.

Statement of Profit and Loss for the year ended 31st March, 2020

		Notes	Year 2019-20 ₹	Year 2018-19 ₹
I	**Income**			
	Revenue from Operations	21	16,34,15,268	25,92,50,864
	Other income	22	4,97,404	9,22,189
	Total Income		**16,39,12,672**	**26,01,73,053**
II	**Expenses**			
	Cost of materials consumed	23	12,92,79,793	18,41,39,968
	Purchases of stock-in-trade	23	45,14,490	63,74,650
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	23	(1,24,52,828)	98,71,262
	Employee benefits expenses	24	1,77,19,325	2,25,92,308
	Finance costs	25	40,27,154	49,19,217
	Depreciation and amortisation expense	26	14,12,147	5,35,969
	Other expenses	27	2,50,94,818	3,93,19,867
	Total expenses		**16,95,94,899**	**26,77,53,241**
III	**Profit/(Loss) before exceptional items and tax**		**(56,82,227)**	**(75,80,188)**
	Add/ (Less) : Exceptional items		-	-
IV	**Profit/(Loss) before tax**		**(56,82,227)**	**(75,80,188)**
	Less: Tax expense			
(1)	Current tax	28.1	-	-
(2)	Prior year tax Provision		1,21,215	(69,758)
(3)	Deferred tax - Debit/(Credit)		31,21,257	(5,56,365)
			32,42,472	**(6,26,123)**
V	**Profit/(Loss) for the year**		**(89,24,699)**	**(69,54,065)**
VI	**Other Comprehensive Income**			
A	Items that will not be reclassified to statement of profit or loss			
(a)	Remeasurements of the defined benefit plans		(75,112)	1,96,384
(b)	Income tax relating to items that will not be reclassified to statement of profit or loss		-	-
			(75,112)	**1,96,384**
B	Items that may be reclassified to statement of profit or loss			
(a)	Income tax relating to items that may be reclassified to statement of profit or loss			
			-	**-**
	Total other comprehensive income (A + B)		**(75,112)**	**1,96,384**
	Total comprehensive income for the period (V+VI)		**(89,99,811)**	**(67,57,681)**
	Profit/ (Loss) for the year attributable to:			
	- Owners of the Company		(89,24,699)	(69,54,065)
			(89,24,699)	(69,54,065)
	Other comprehensive income for the year attributable to:			
	- Owners of the Company		(75,112)	1,96,384
			(75,112)	1,96,384
	Total comprehensive income for the year attributable to:			
	- Owners of the Company		(89,99,811)	(67,57,681)
			(89,99,811)	(67,57,681)
	Earnings per equity share	29		
	(1) Basic (in Rs.)		(2.22)	(2.46)
	(2) Diluted (in Rs.)		(2.22)	(2.46)

As per our report of even date
For BATLIBOI & PUROHIT
Chartered Accountants
Firm Regn No.101048W

Vikram Surendran — *Director*

R.S.Moorthy — *Director*

ATUL MEHTA
Partner
Membership No.15935

Mumbai, Dated 27th June,2020.

Cash Flow Statement for the year ended 31st March, 2020

	Notes	Year ended March 31, 2020 ₹	Year ended March 31, 2019 ₹
Cash flows from operating activities			
Profit/loss before tax for the year		(56,82,227)	(75,80,188)
Adjustments for:			
Finance costs recognised in profit or loss		39,67,654	49,19,217
Unwinding Interest on Lease Liabilities		59,500	-
Investment Loss/ (gain) recognised in profit or loss		50,519	3,338
Interest Income		(3,20,815)	(2,84,067)
Provision for doubtful debt		14,47,992	25,87,989
Write-off of doubtful debts, advances and other current assets		79,790	14,64,566
Depreciation and amortisation of fixed assets/ intangibles		5,61,405	5,35,969
Amortisation of Right-of use Assets		8,50,742	-
Remeasurement of defined benefit plans disclosed under OCI		(75,112)	-
Movements in working capital:			
(Increase)/decrease in trade and other receivables		4,87,08,092	(45,27,611)
(Increase)/decrease in inventories		(1,17,32,752)	16,91,364
(Increase)/decrease in current other assets		(50,62,262)	64,38,250
(Increase)/decrease in non current other assets		-	(10,11,920)
(Increase)/decrease in current other financial assets		80,000	40,000
(Increase)/decrease in non current other financial assets		(1,11,139)	7,22,427
Increase/ (decrease) in trade and other payables		(2,54,05,115)	38,43,518
Increase/(decrease) in provisions		(61,623)	(10,14,646)
Increase/(decrease) in other liabilities		23,06,691	16,03,009
Cash generated from operations		**96,61,340**	**94,31,215**
Income taxes paid (net of refunds)		(6,42,456)	(6,54,193)
Net cash generated by operating activities		**90,18,884**	**87,77,022**
Cash flows from investing activities			
Interest Income		4,11,898	2,84,371
Payments for property, plant and equipment		-	(7,28,117)
Payments for intangible assets		-	(18,000)
Net Movement in Bank Balance not considered as Cash & Cash equivalents		(3,76,039)	(9,33,676)
Net cash (used in)/generated by investing activities		**35,859**	**(13,95,422)**
Cash flows from financing activities			
Proceeds from shares issued during the year		2,00,00,000	-
Net increase / (decrease) in working capital borrowings		(2,98,24,120)	13,49,122
Interest expense		(39,67,654)	(49,19,217)
Lease Liability paid		(9,18,360)	-
Net cash used in financing activities		**(1,47,10,134)**	**(35,70,095)**
Net increase in cash and cash equivalents		**(56,55,391)**	**38,11,505**
Cash and cash equivalents at the beginning of the year		79,02,957	40,91,452
Cash and cash equivalents at the end of the year		**22,47,566**	**79,02,957**
Less: Bank Overdraft		-	-
Net Cash and cash equivalents at the end of the year		**22,47,566**	**79,02,957**
		-	-

As per our report of even date
For BATLIBOI & PUROHIT
Chartered Accountants
Firm Regn No.101048W

Vikram Surendran — *Director*

R.S.Moorthy — *Director*

ATUL MEHTA
Partner
Membership No.15935

Mumbai, Dated 27th June,2020.

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

a. Equity share capital	No.of Shares	Amount ₹
Balance at April 1, 2018	**28,27,263**	**2,82,72,630**
Changes in equity share capital during the year	-	-
Balance at March 31, 2019	**28,27,263**	**2,82,72,630**
Changes in equity share capital during the year	20,00,000	2,00,00,000
Balance at March 31, 2020	**48,27,263**	**4,82,72,630**

B. Other Equity

	Attributable to Owners		
		Items Of Other Comprehensive Income	Total Other Equity
	Retained earnings	Remeasurement of Employee benefit	
	₹	₹	₹
Balance at 1st April 2018	**(1,49,88,426)**	-	(1,49,88,426)
Profit for the year	(69,54,065)		(69,54,065)
Other comprehensive income for the year, net of income tax	-	1,96,384	1,96,384
Transfer to retained earnings	1,96,384	(1,96,384)	-
Total comprehensive income for the year 31st March 2019	**(2,17,46,107)**	**-**	**(2,17,46,107)**
Profit for the year	(89,24,699)	-	(89,24,699)
Other comprehensive income for the year, net of income tax	-	(75,112)	(75,112)
Total comprehensive income for the year 31st March 2020	**(89,24,699)**	**(75,112)**	**(89,99,811)**
Transfer to retained earnings	(75,112)	75,112	-
Balance as at 31st March 2020	**(3,07,45,918)**	**-**	**(3,07,45,918)**

As per our report of even date
For BATLIBOI & PUROHIT
Chartered Accountants
Firm Regn No.101048W

Vikram Surendran — *Director*

R.S.Moorthy — *Director*

ATUL MEHTA
Partner
Membership No.15935

Mumbai, Dated 27th June,2020.

Notes to the financial statements for the year ended March 31, 2020

1.Background

Forbes Enviro Solutions Limited is a limited company incorporated in India. Its parent Company is Eureka Forbes Limted and ultimate holding company is Shapoorji Pallonji and Company Private Ltd

Registered office is at B1/ B2 Marathon Innova, Off Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400013. The Company is engaged in manufacturing and trading of Water and Waster Water Treatment plants and taking OEM's and Trading of Packaged Drinking Water etc.

2. Basis of preparation

a. Statement of compliance

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

The financial statements were authorised for issue by the Company's Board of Directors on 27th June, 2020.

Details of the Company's accounting policies are included in Note 3.

b. Functional and presentation currency

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

c. Basis of measurement

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

d. Use of estimates and judgements

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

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

Judgements

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

- Note 3(c)(iii) and 4 – useful life of Property, plant and equipment
- Note 3(d)(iii) and 5 – useful life of Intangible assets
- Note 3(g) and 30 – employee benefit plans
- Note 3(h) and 33 – provisions and contingent liabilities
- Note 3(l) and 28 – Income taxes
- Note 3(j) and 32 – Lease classification

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2020 is included in the following notes:

-Note 16 – recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;

-Note 33 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;

e. Measurement of fair values

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

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

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

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

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

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

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure

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

Further information about the assumptions made in measuring fair values is included in the following note:
- Note 36 – financial instruments.

3. Significant accounting polices

a. Foreign currency transactions

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

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

b. Financial instruments

i. *Recognition and initial measurement*

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.
A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii. ***Classification and subseauent measurement***

Financial assets

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

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

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

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

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

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

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

Financial assets: Subsequent measurement and gains and losses

- Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

- Financial assets at amotised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

-Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

-Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

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

iii. *Derrecogniton*

Financial assets

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

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

Financial liabilities

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

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

iv. *Offsetting*

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

c. Property, plant and equipment

i. Recognition and measurement

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

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

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

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

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

ii. Subsequent expenditure

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

iii. Depreciation

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

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

Asset	Management estimate of useful life	As per Schedule II of Companies Act
Plant and machinery	15yrs	15yrs
Office equipments	3- 5yrs	5yrs
Furniture and fixtures	10yrs	10yrs
Computers	3yrs	3yrs
Vehicles- Motor car	8 yrs	8yrs
Vehicle- Motor bike	10 yrs	10yrs
Electric fittings	10yrs	10yrs

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

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

d. Intangible assets

i. Acquired intangible

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

ii. Subsequent expenditure

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

iii. Amortisation

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

The estimated useful live is as follows:

- Software 5 years

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

e. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity. (refer note 9)

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

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

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

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

f. Impairment

i. Impairment of financial instruments

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

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

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

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

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

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

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

ii. Impairment of non-financial assets

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

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

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

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

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

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

g. Employee benefits

i. ***Short-term employee benefits***

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

ii. ***Defined contribution plans***

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

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

iii. Defined benefit plans

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

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

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

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

iv. Other long-term employee benefits

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

h. Provisions and contingent liabilities

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

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

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

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

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

i. Revenue

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. This *inter alia* involves discounting of the consideration due to the present value if payment extends beyond normal credit terms. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing effective control over, or managerial involvement with, the goods, and the amount of revenue can be measured reliably.

J.Impact of initial application of Ind AS 116 Leases

On 30 March 2019, the Ministry of Corporate Affairs (MCA) notified Ind AS 116, 'Leases' as part of the Companies (Indian Accounting Standards (Ind AS)) Amendment Rules, 2019. Ind AS 116 replaces existing standard on leases i.e. Ind AS 17, Leases with effect from 1st April, 2019 (The initial accounting application date).

Ind AS 116 sets out principles for the recognition, measurement, presentation and disclosure of leases. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. For all leases except as noted above, a lessee is required to recognise a right-of-use asset (ROU Asset) representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments in the balance sheet. Lessee will recognise depreciation of right-of-use assets and interest on lease liabilities in the statement of profit and loss.

The Company as a lessee

The Company's lease asset classes primarily consist of leases for Premises. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains,a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases.

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

Lease payments included in the measurement of the lease liability comprise:

• Fixed lease payments (including in-substance fixed payments) payable during the lease term and under reasonably certain extension options, less any lease incentives;
• Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
• The amount expected to be payable by the lessee under residual value guarantees;
• The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
• Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

As a practical expedient, Ind AS 116 permits a lessee not to separate non-lease components when bifurcation of the payments is not available between the two components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has used this practical expedient. Contingent and variable rentals are recognized as expense in the periods in which they are incurred.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

• The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
• A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under Ind AS 37. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The Company has entered into lease arrangements as a lessee for premises for operating customer relationship center , guest houses, head office and regional offices , residential premises for their employees so as to help the employees to get settled to new location and warehouse for receiving, storing and dispatch of goods.The average term of leases entered into is 3 years. Incase of warehouses, on the basis of past practice the entire period of the contract has been considered for lease term depending on the reasonable certainty to continue with the same service provider. Generally, these lease contracts do not include extension or early termination options.

Extension and termination options are included in many of the leases. In determining the lease term the management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.

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

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of Profit and Loss.

The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Ind AS 116 does not change substantially how a lessor accounts for leases. Under Ind AS 116, a lessor continues to classify leases as either finance leases or operating leases and account for those two types of leases differently. However, Ind AS 116 has changed and expanded the disclosures required, in particular with regard to how a lessor manages the risks arising from its residual interest in leased assets.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

k. Recognition of interest income or expense

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

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:
- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

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

l. Income tax

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

i. Current tax

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

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

ii. Deferred tax

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

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

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

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

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

m. Earnings per share

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

Notes to the financial statements for the year ended March 31, 2020

4. Property, Plant & Equipments

Cost or deemed cost	**Furniture and fixtures**	**Computers**	**Electrical Fittings**	**Office Equipment**	**Total**
	₹	₹	₹	₹	₹
As at 01st April 2018	29,64,570	15,00,735	8,54,251	10,61,824	63,81,380
Additions	4,22,117	-	-	3,06,000	7,28,117
Deletions	-	-	-	-	-
As at 31 March 2019	33,86,687	15,00,735	8,54,251	13,67,824	71,09,497
Additions	-	-	-	-	-
Deletions	-	-	-	-	-
As at 31 March 2020	33,86,687	15,00,735	8,54,251	13,67,824	71,09,497
Depreciation					
As at 01st April 2018	12,98,279	13,52,227	4,30,906	8,89,295	39,70,707
Deletions	-	-	-	-	-
Charge for the year	3,11,750	39,446	92,706	64,215	5,08,117
As at 31 March 2019	16,10,029	13,91,673	5,23,612	9,53,510	44,78,824
Deletions	-	-	-	-	-
Charge for the year	3,42,248	24,155	92,960	88,495	5,47,858
As at 31 March 2020	19,52,277	14,15,828	6,16,572	10,42,005	50,26,682
Net Block					
As at 31 March 2019	17,76,658	1,09,062	3,30,639	4,14,314	26,30,673
As at 31 March 2020	14,34,410	84,907	2,37,679	3,25,819	20,82,815

Notes to the financial statements for the year ended March 31, 2020

5. Other Intangible Assets

Cost or deemed cost	Computer Software ₹	Total ₹
As at 01st April 2018	15,04,701	15,04,701
Addition	18,000	18,000
Deletion	-	-
As at 31 March 2019	15,22,701	15,22,701
Addition	-	-
Deletion	-	-
As at 31 March 2020	15,22,701	15,22,701
Amortisation		
As at 01st April 2018	13,89,669	13,89,669
Charge for the year	27,852	27,852
Deletion	-	-
As at 31 March 2019	14,17,521	14,17,521
Charge for the year	13,547	13,547
Deletion	-	-
As at 31 March 2020	14,31,068	14,31,068
Net Block		
As at 31 March 2019	**1,05,180**	**1,05,180**
As at 31 March 2020	**91,633**	**91,633**

Notes to the financial statements for the year ended March 31, 2020

Financial assets

6. Other Current Investments

Particulars	As at March 31, 2020 ₹	As at March 31, 2019 ₹
Unquoted Investments (all fully paid)		
(a) Investments in Mutual Funds at FVTPL 357.856 (previous year 357.856) units of ₹10/- fully paid up in Reliance Vision Fund- Growth Plan Growth Option	1,37,184	1,87,703
TOTAL UNQUOTED INVESTMENTS at FVTPL	1,37,184	1,87,703

Notes to the financial statements for the year ended March 31, 2020

7. Trade receivables

Particulars	Non Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
	₹	₹	₹	₹
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	2,58,21,135	4,08,18,900
Unsecured , Debts due from related parties (refer note 31 (II))	-	-	1,40,09,663	4,77,99,780
Unsecured, considered doubtful from related parties	-	-	-	-
Less: Expected credit loss			1,17,47,188	1,02,99,197
Total (A)	-	-	2,80,83,610	7,83,19,483
Total (B)	-	-	-	-
Total	-	-	2,80,83,610	7,83,19,483

7.1 Trade receivables

The average credit period on sales is between 60-90 days.

The Company has availed various credit facilities from Kotak Mahindra Bank Limited for INR 300,00,000/- that is secured by floating charge on book debts.

8. Other financial assets

Particulars	Non Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
	₹	₹	₹	₹
Bank deposits with more than 12 months maturity (refer note 8(i))	17,22,841	27,29,456	-	-
Security deposits				
Security deposits - unsecured considered good - to related parties (refer note 31 (II))	10,000	10,000	-	-
Security deposits - unsecured considered good	10,21,630	8,10,630	-	80,000
Interest Accrued -				
On fixed deposits with Banks	16,021	98,108	5,480	14,476
Balance with statutory/ government authorities	1,20,64,011	1,21,63,872	-	-
	1,48,34,503	1,58,12,066	5,480	94,476

Note8(i): Current year amount of bank deposit of Rs.126,091/- (previous year Rs.112,764/-) is pledged as security towards the Overdraft facility with IDBI Bank of Rs.1,00,000/- (previous year Rs.1,00,000/-) at interest rate of 8.20% (previous year 9.50%). Out of the total Bank deposit pledged with IDBI Bank as of 31st March 2020 the amount of Rs.126,091/- is with maturity more than 12 months

9. Inventories

Particulars	As at March 31, 2020	As at March 31, 2019
	₹	₹
a) Inventories (lower of cost and net realisable value) #.		
Raw Material & Spares	1,60,05,686	1,67,25,762
Work in Progress	1,39,01,245	14,48,417
	2,99,06,931	1,81,74,179

Cost of Inventories recognised as an expense include Rs 10,50,000 (2018-19 Rs 9,91,969) in respect of write - downs of inventory to net realisable value.

10. Cash and cash equivalents

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

Particulars	As at March 31, 2020	As at March 31, 2019
	₹	₹
Balances with Banks in current accounts	20,81,953	78,41,924
Cash on hand	1,65,613	61,033
Total Cash & Cash Equivalents	**22,47,566**	**79,02,957**
Bank Balances other than Cash & Cash Equivalents		
Deposits with original maturity of more than 3 months but less than 12 months	30,68,876	16,86,222
Total Bank Balances other than Cash & Cash Equivalents	**30,68,876**	**16,86,222**

11. Other assets

Particulars	Non Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
	₹	₹	₹	₹
Prepaid expenses	-	-	3,40,126	3,73,088
Balance with statutory/ government authorities	-	-	57,30,991	9,83,215
Gratuity	-	-	1,72,207	3,30,242
Advance to Employees	-	-	4,18,576	88,301
Advances to Others -Vendors	-	-	19,56,799	17,81,591
Total	-	-	86,18,699	35,56,437

Notes to the financial statements for the year ended March 31, 2020

12. Equity Share Capital

Particulars	As at March 31, 2020 ₹	As at March 31, 2019 ₹
Equity share capital	4,82,72,630	2,82,72,630
Total	4,82,72,630	2,82,72,630
Authorised Share capital :		
50,00,000 fully paid equity shares of ₹ 10 each	5,00,00,000	5,00,00,000
Issued and subscribed capital comprises:		
48,27,263 fully paid equity shares of ₹.10 each (as at March 31, 2019: 28,27,263)	4,82,72,630	2,82,72,630
	4,82,72,630	2,82,72,630

12.1 Fully paid equity shares

Particulars	Number of shares	Share capital ₹
Balance at April 1, 2018	28,27,263	2,82,72,630
Add: Issued during the year	-	-
Less: Bought back during the year	-	-
Balance at March 31, 2019	28,27,263	2,82,72,630
Add: Issued during the year	20,00,000	2,00,00,000
Less: Bought back during the year	-	
Balance at March 31, 2020	**48,27,263**	**4,82,72,630**

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

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

Particulars	Fully paid ordinary shares As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the period - Held by Eureka Forbes Limited	48,27,263	28,27,263
Total as at the end of the period	**48,27,263**	**28,27,263**

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

Particulars	As at March 31, 2020 Number of shares held	% holding in the class of shares	As at March 31, 2019 Number of shares held	% holding in the class of shares
Fully paid equity shares				
Eureka Forbes Limited	48,27,263	100%	28,27,263	100%
Total	48,27,263	100%	28,27,263	100%

12.4 Capital management

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

The capital structure of the company consists of net debt (borrowings as detailed in notes 18 offset by cash and bank balances) and equity of the Company (comprising issued capital, reserves and retained earnings as detailed in notes 12 to 13).

The company is not subject to any externally imposed capital requirements.

The companys strategy is to maintain a gearing ratio within 3%. The gearing ratio were as follow:

12.4.1 Gearing ratio

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

Particulars	As at March 31, 2020	As at March 31, 2019
Debt (i)	1,50,00,000	4,48,24,120
Cash and bank balances	70,39,283	1,23,18,430
Net debt	79,60,717	3,25,05,690
Equity (ii)	1,75,26,712	65,26,523
Net debt to equity ratio	**0.45**	**4.98**

Debt is defined as long- and short-term borrowings (excluding derivative, financial guarantee contracts and contingent consideration), as described in note 18.

13. Other equity

Particulars	As at March 31, 2020 ₹	As at March 31, 2019 ₹
Retained earnings		
Balance at beginning of year	(2,17,46,107)	(1,49,88,426)
Add/ (less): Profit/ (loss) for the year	(89,24,699)	(69,54,065)
Add: Transfer from OCI	(75,112)	1,96,384
Balance at end of the year	**(3,07,45,918)**	**(2,17,46,107)**

Notes to the financial statements for the year ended March 31, 2020

Financial Liabilities

14. Other financial liabilities

Particulars	Non Current March 31, 2020 ₹	Non Current March 31, 2019 ₹	Current As at March 31, 2020 ₹	Current As at March 31, 2019 ₹
(a) Interest accrued but not due on borrowings	-	-	195	-
(b) Deposits for Jars	-	-	6,32,440	6,78,750
(c) Others :-				
-Dues to employees	-	-	25,83,705	16,20,680
-Dues to Others	-	-	11,74,336	3,59,010
(d) Statutory liabilities (Contributions to PF,Pension, ESIC,withholding Taxes,VAT,GST etc.)	-	-	2,91,239	4,16,959
Total	-	-	46,81,915	30,75,399

15. Provisions

Particulars	Non Current As at March 31, 2020 ₹	Non Current As at March 31, 2019 ₹	Current As at March 31, 2020 ₹	Current As at March 31, 2019 ₹
Employee benefits on Compensated absence	2,71,375	2,70,641	52,337	56,468
Provision for Warranty (see 15.1)	-	-	78,028	1,36,254
Total	**2,71,375**	**2,70,641**	**1,30,365**	**1,92,722**

15.1 Provision for Warranty

The company gives warranty on certain products, undertaking to repair or replace the items that fail to perform satisfactorily during the warranty period. Warranty provisions are made for expected future outflows where no reimbursements are expected and estimated based on using historical information on the nature frequency and average cost of warranty claims. The Table given below gives information about movement in warranty provisions.

	As at March 31, 2020 ₹	As at March 31, 2019 ₹
At the beginning of the year	1,36,254	10,01,452
Additions during the year	78,028	1,36,254
Utilization during the year	-	-
Amount reversed /(utilisation) during the year	1,36,254	10,01,452
At the end of the year	**78,028**	**1,36,254**

16. Deferred tax balances

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

Particulars	As at March 31, 2020 ₹	As at March 31, 2019 ₹
Deferred tax assets	-	31,21,257
Net	-	31,21,257

Particulars	Property, plant and equipment	MAT Credit Entitlement	Provisions for Doubtful Debts	Provsions - impact of expenditure charged to the profit and loss in the current year but allowed for tax on payment basis	Amalgamation Expense	Total
Deferred tax (liabilities)/assets in relation to:						
Net balance April 1, 2018	1,52,846	-	20,04,914	53,022	3,54,110	25,64,892
Recognised in profit or loss	28,516	-	6,72,877	32,026	(1,77,054)	5,56,365
Utilised against tax payable		-				-
Closing balance Asset / (Liability) March 31, 2019	1,81,362	-	26,77,791	85,048	1,77,056	31,21,257
Recognised in profit or loss	-	-	-	-	-	-
Written off	(1,81,362)	-	(26,77,791)	(85,048)	(1,77,056)	(31,21,257)
Closing balance March 31, 2020	-	-	-	-	-	-

The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Unrecognised deferred tax assets on c/f business losses for F.Y.2019-20 is Rs.54,13,823/- (F.Y.2018-19 Rs.44,09,932/-)

17. Other Liabilities

Particulars	Non Current As at March 31, 2020 ₹	Non Current As at March 31, 2019 ₹	Current As at March 31, 2020 ₹	Current As at March 31, 2019 ₹
(a) Advance received from Customers	-	-	16,87,525	36,03,734
(b) Statutory liabilities (Contributions to PF,Pension, ESIC,withholding Taxes,VAT,GST etc.)	-	-	32,11,966	5,95,582
Total	**-**	**-**	**48,99,491**	**41,99,316**

18. Current Borrowings

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured - at amortised cost		
(a) Loans repayable on demand from related party (refer note (i) below)	1,50,00,000	3,50,00,000
Secured - at amortised cost		
(b) Loans repayable on demand		
-Bill discounting (refer note (iii) below)	-	98,24,120
Total	1,50,00,000	4,48,24,120

(i) Amounts repayable to related parties of the Group. Interest of 11.40%per annum is charged on the outstanding loan balances (as at March 31, 2019 11.40%).

(ii) Secured by fixed deposit (refer note 8(i)). The interest rate on the overdraft facility with bank is 8.20% per annum (as at March 31, 2019: 9.5% per annum)

(iii) The company has utilised the Secured facility of bill discounting available with Kotak Mahindra Bank with interest rate of 9.50% P.A.(as at March 31, 2019: 9.50% P.A.)

19. Trade payables

Particulars	Non Current March 31, 2020 ₹	Non Current March 31, 2019 ₹	Current As at March 31, 2020 ₹	Current As at March 31, 2019 ₹
Trade payables (including acceptances)	-	-	4,74,77,810	6,57,67,596
Trade payables - MSME (Refer note below 19.1 for dues to Micro and Small Enterprises)	-	-	54,40,183	1,26,05,098
Trade payables to related parties (Refer note 31)	-	-	49,586	-
Total	**-**	**-**	**5,29,67,579**	**7,83,72,694**

The average credit period for purchase of certain goods is 60-90 days. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

19 .1 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	As at March 31, 2020	As at March 31, 2019
(i) Principal amount remaining unpaid to MSME suppliers as on year ended 31.03.2020	53,81,821	1,25,65,362
(ii) Interest due on unpaid principal amount to MSME suppliers as on year end	58,362	39,736

20. Income tax assets and liabilities

Particulars	Non Current As at March 31, 2020 ₹	Non Current As at March 31, 2019 ₹	Current As at March 31, 2020 ₹	Current As at March 31, 2019 ₹
Current tax assets (Net)				
Advance income-tax (Net of provision of taxation)	1,00,24,512	96,27,203	-	-
Total	1,00,24,512	96,27,203	-	-
Current tax Liabilities				
Provision for Taxation (Net of Advance Tax)			36,32,490	37,56,421
Total	-	-	36,32,490	37,56,421

Notes to the financial statements for the year ended March 31, 2020

21. Revenue from operations

Particulars	Year ended March 31, 2020 ₹	Year ended March 31, 2019 ₹
(a) Sale of - Products	14,40,83,792	20,41,64,500
- Traded Goods	45,04,307	2,77,33,709
(b) Sale of services	1,48,27,169	2,72,96,547
(c) Sale of scrap	-	56,108
Total	16,34,15,268	25,92,50,864

22. Other Income and other gains/ (losses)

22.1 Other Income	Year ended March 31, 2020 ₹	Year ended March 31, 2019 ₹
Bank deposits (at amortised cost)	3,20,815	2,84,067
Foreign exchange gain	-	49,630
Others - Misc Receipts	2,27,108	5,91,830
Total	5,47,923	9,25,527

22.2 Other gains/(losses)	Year ended March 31, 2020 ₹	Year ended March 31, 2019 ₹
Gain/(loss) on disposal of property, plant and equipment	-	-
Net gain/(loss) arising on financial assets measured at FVTPL	(50,519)	(3,338)
Total	(50,519)	(3,338)
Total (22.1+ 22.2)	4,97,404	9,22,189

23. Cost of materials consumed

Particulars	Year ended March 31, 2020 ₹	Year ended March 31, 2019 ₹
Inventory at the beginning of the year	1,67,25,762	85,45,864
Add:- Purchases	12,85,59,717	19,23,19,866
Less:- Inventory at the end of the year	(1,60,05,686)	(1,67,25,762)
Cost of Raw Material & Components consumed	12,92,79,793	18,41,39,968
Purchase of traded products	45,14,490	63,74,650
Changes in inventories of finished goods, work-in-progress and stock-in-trade.	(1,24,52,828)	98,71,262

24. Employee benefits expense

Particulars	Year ended March 31, 2020 ₹	Year ended March 31, 2019 ₹
Salaries and Wages	1,64,19,984	2,13,74,352
Contribution to provident and other funds	8,83,789	6,30,208
Staff Welfare Expenses	4,15,552	5,87,748
Total	1,77,19,325	2,25,92,308

25. Finance costs

	Year ended March 31, 2020	Year ended March 31, 2019
	₹	₹
Bank Charges	3,75,920	3,18,006
Interest on bank overdrafts and loans (other than those from related parties)	588	540
Bill Discounting Charges	9,33,228	6,10,670
Unwinding Interest on lease liabilities	59,500	-
Interest on ICD from holding company	26,57,918	39,90,001
Total	**40,27,154**	**49,19,217**

26. Depreciation and amortisation expense

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
	₹	₹
Depreciation of property, plant and equipment (Note 4)	5,47,858	5,08,117
Amortisation of Right of use Assets	8,50,742	-
Amortisation of intangible assets (Note 5)	13,547	27,852
Total depreciation and amortisation pertaining to continuing operations	**14,12,147**	**5,35,969**

27. Other expenses

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
	₹	₹
Electricity	7,99,340	7,80,778
Rent	16,52,416	30,27,601
Repairs and Maintenance -		
Others	3,54,352	8,64,844
Insurance	5,64,374	6,89,976
Selling and Sales Promotion	60,000	57,000
Freight, Forwarding and Delivery	75,63,899	92,13,598
Payment to Auditors (Refer details Below)	6,72,701	4,91,141
Printing and Stationery	1,41,838	3,26,937
Communication cost	5,34,769	5,75,077
Travelling and Conveyance	27,67,191	34,61,191
Legal and Professional Fees	6,45,962	17,52,935
Vehicle Running Expenses	16,665	23,855
Rates and taxes, excluding taxes on income	11,14,996	60,465
Service Charges	37,38,494	97,01,526
Information Technology Expenses	-	14,79,729
Other Establishment Expenses	29,40,039	27,60,659
Bad Debts/Advances Written-Off	79,790	14,64,566
Provision for Doubtful Debts	14,47,992	25,87,989
Total	**2,50,94,818**	**3,93,19,867**

Payments to auditors	Year ended March 31, 2020	Year ended March 31, 2019
a) For audit	3,56,000	3,56,000
b) For taxation matters	87,500	52,500
c) For other services	45,000	30,700
d) Limited Review Fees	1,50,000	-
d) For reimbursement of expenses	34,201	51,941
Total	**6,72,701**	**4,91,141**

28. Income taxes

28.1 Income tax recognised in profit or loss

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
	₹	₹
Current tax		
In respect of prior years	1,21,215	(69,758)
	1,21,215	**(69,758)**
Deferred tax		
In respect of the year	31,21,257	(5,56,365)
Total income tax expense recognised in the current year	**32,42,472**	**(6,26,123)**

28.2 Income Taxes

(a) Amounts recognised in profit and loss

Particulars	For the year ended March 31, 2020 ₹	For the year ended March 31, 2019 ₹
Current income tax	-	-
Prior year tax Provision	1,21,215	(69,758)
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	31,21,257	(5,56,365)
Reduction in tax rate		
Recognition of previously unrecognised tax losses		
Change in recognised deductible temporary differences		
Deferred tax	31,21,257	(5,56,365)
Tax expense for the year	**32,42,472**	**(6,26,123)**

(b) Amounts recognised in other comprehensive income

Particulars	For the year ended March 31, 2020			For the year ended March 31, 2019		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
	₹	₹	₹	₹	₹	₹
Items that will not be reclassified to profit or loss						
Changes in revaluation surplus			-			-
Remeasurements of the defined benefit plans	(75,112)	Nil	Nil	1,96,384	51,060	2,47,444
	(75,112)	**-**	**-**	**1,96,384**	**51,060**	**2,47,444**

(c) Reconciliation of effective tax rate

Particulars	For the year ended March 31, 2020 ₹	For the year ended March 31, 2019 ₹
Profit/ (Loss) before tax	**(56,82,227)**	**(75,80,188)**
Revised Profit before tax	**(56,82,227)**	**(75,80,188)**
Tax using the Company's domestic tax rate (Current year Nil and Previous Year Nil)	-	-
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:	(31,21,257)	5,56,365
	(31,21,257)	5,56,365
Effective tax rate		

The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority

Significant management judgement is required in determing the provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income by each jurisdiction in which the relevant entity operates and the period over which the deferred income tax assets will be recovered.

Owing to losses in the current year, no provision for current tax has been made.

During the year the company has written off Deferred Tax Assets of Rs.31,21,257/- as there is no reasonable certainty of utilization on account of accumulated losses.

Notes to the financial statements

Note 29 : Earnings per share (EPS)
Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

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

i. Profit/(Loss) attributable to Equity holders

	March 31, 2020	March 31, 2019
	₹	₹
Profit/(Loss) attributable to equity holders:	(89,24,699)	(69,54,065)
Profit/(Loss) attributable to equity holders for basic earnings	**(89,24,699)**	**(69,54,065)**

ii. Weighted average number of ordinary shares

	March 31, 2020	March 31, 2019
	Nos.	Nos.
Issued ordinary shares at April 1	28,27,263	28,27,263
Effect of shares issued during the year	11,85,792	-
Weighted average number of shares at March 31 for basic EPS	**40,13,055**	**28,27,263**
Effect of dilution:	-	-
Weighted average number of shares at March 31 for EPS afte dilution	**40,13,055**	**28,27,263**

Basic and Diluted earnings per share

	March 31, 2020	March 31, 2019
	₹	₹
Basic earnings per share	(2.22)	(2.46)
Diluted earnings per share	(2.22)	(2.46)

Notes to the financial statements for the year ended March 31, 2020 - continued

30. Employee benefit plans

30.1 Defined contribution plans

The Company operates defined contribution retirement benefit plans for all qualifying employees of its Company. The assets of the plans are held with central government. Where employees leave the plans prior to full vesting of the contributions, the contributions payable by the Company are reduced by the amount of forfeited contributions.

	Year ended March 31, 2020	Year ended March 31, 2019
Amount recognised as expense and included in note 24 as contribution to provident and other funds	8,83,789	6,30,208

30.2 Defined benefit plans

The Company has a defined benefit gratuity scheme for employees who have completed minimum 5 years of service. The scheme is funded with Life Insurance Corporation (LIC).

Investment risk	The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. For other defined benefit plans, the discount rate is determined by reference to market yields at the end of the reporting period on high quality corporate bonds when there is a deep market for such bonds; if the return on plan asset is below this rate, it will create a plan deficit. Currently the plan has a relatively balanced investment in LIC. Due to the long-term nature of the plan liabilities, the board of the Fund considers it appropriate that a reasonable portion of the plan assets should be invested in equity securities and in real estate to leverage the return generated by the Fund.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The risk relating to benefits to be paid to the dependents of plan members (widow and orphan benefits) is not funded.

No other post-retirement benefits are provided to these employees.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at March 31, 2020 by an independent actuary. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

The principal assumptions used for the purposes of the actuarial valuations were as follows.

Particulars	Valuation as at	
	Year ended March 31, 2020	Year ended March 31, 2019
Discount rate(s)	6.56%	7.64%
Expected rate(s) of salary increase	5.00%	5.00%
Mortality rates*	Indian Assured Lives Mortality (2006-08) Ult	Indian Assured Lives Mortality (2006-08) Ult
Employee turnover	10%	10%

* Based on India’s standard mortality table with modification to reflect expected changes in mortality.

Amounts recognised in statement of profit and loss in respect of these defined benefit plans are as follows.

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Service cost:		
Current service cost	1,07,753	1,59,926
Past service cost and (gain)/loss from settlements	-	-
Net interest expense	(25,230)	(21,257)
Components of defined benefit costs recognised in profit or loss	82,523	1,38,669
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)	1,12,293	(88,121)
Actuarial (gains) / losses arising from changes in demographic assumptions	-	-
Actuarial (gains) / losses arising from changes in financial assumptions	64,359	9,544
Actuarial (gains) / losses arising from experience adjustments	(1,01,140)	(1,17,807)
Others		
Components of defined benefit costs recognised in other comprehensive income	**75,512**	**(1,96,384)**
Total	**1,58,035**	**(57,715)**

The current service cost and the net interest expense for the year are included in the ‘Employee benefits expense’ line item in the statement of profit and loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows.

Particulars	As at March 31, 2020	As at March 31, 2019
Present value of funded defined benefit obligation	(15,62,300)	(14,67,653)
Fair value of plan assets	17,34,507	17,97,895
Funded status	1,72,207	3,30,242
Restrictions on asset recognised Others		
Net Asset arising from defined benefit obligation	**1,72,207**	**3,30,242**

Movements in the present value of the defined benefit obligation are as follows.

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Opening defined benefit obligation	14,67,653	13,13,534
Current service cost	1,07,753	1,59,926
Interest cost	1,12,129	1,02,456
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in demographic assumptions	-	-
Actuarial gains and losses arising from changes in financial assumptions	64,359	9,544
Actuarial gains and losses arising from experience adjustments	(1,01,140)	(1,17,807)
Liability transferred in / acquisition	-	-
Past service cost, including losses/(gains) on curtailments		
Liabilities extinguished on settlements		
Benefits paid	(88,454)	-
Closing defined benefit obligation	**15,62,300**	**14,67,653**

Movements in the fair value of the plan assets are as follows.

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Opening fair value of plan assets	17,97,895	15,86,061
Interest income	1,37,359	1,23,713
Remeasurement gain (loss):	-	-
Return on plan assets (excluding amounts included in net interest expense)	(1,12,293)	88,121
Others [describe]	-	-
Contributions from the employer		
Contributions from plan participants	-	-
Assets distributed on settlements	-	-
Assets transferred in / acquisitions	-	-
The effects of changes in Foreign Exchange Rates	-	-
Benefits paid	(88,454)	-
Closing fair value of plan assets	**17,34,507**	**17,97,895**

Expenses Recognised in the Statement of Profit or Loss for Current Period

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Current Service Cost	1,07,753	1,59,926
Net Interest Cost	(25,230)	(21,257)
Acturial (Gain)/ Losses		
Expenses Recognised in the Statement of Profit or Lo	**82,523**	**1,38,669**

Expenses Recognised in other comprehensive Income (OCI) for Current Period

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Acturial (Gains)/ losses on Obligation for the period	(36,781)	(1,08,263)
Return on Plan Assets, excluding interest income	1,12,293	(88,121)
Change in asset ceiling		
Net (income) / expense for the period recognised in	**75,512**	**(1,96,384)**

Balance Sheet Reconcilation

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Opening Net Liability	(3,30,242)	(2,72,527)
Expense Recognised in Statement of Profit or Loss	82,523	1,38,669
Expense Recognised in other comprehensive income	75,512	(1,96,384)
Net Liability /(Asset) Transfer In	-	-
Net Liability /(Asset) Transfer Out	-	-
(Benefit paid Directly by the Employer)	-	-
(Employer's Contribution)	-	-
Net Liability /(Asset) Recognised in the Balance Shee	**(1,72,207)**	**(3,30,242)**

Sensitivity Analysis

Particulars	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2016
Presented benefit obligation on current assumptions	15,62,300	14,67,653	13,13,534	13,19,451	10,00,617
Discount rate (1% increase)	(59,879)	(56,713)	(72,431)	(77,673)	(1,21,536)
Discount rate (1% decrease)	67,921	64,171	81,492	87,914	1,47,555
Future salary growth (1% increase)	68,304	65,230	82,962	88,992	1,50,646
Future salary growth (1% decrease)	(61,262)	(58,577)	(74,923)	(79,932)	(1,25,777)
Attrition movement (1% increase)	6,598	12,017	14,006	10,715	46,304
Attrition movement (1% decrease)	(7,443)	(13,473)	(15,823)	(12,344)	(54,103)

Notes to the financial statements for the year ended March 31, 2020 - continued

31. Related party transaction

(I) Name of related Party and nature of relationship where control exists are as under :

A Enterprises having more than one half of Voting Powers -
Shapoorji Pallonji and Company Pvt. Ltd. - Ultimate Holding Company
Eureka Forbes Limited Holding Company

B. Enterprises under Common Control -(where there are transactions)
Afcon Insfrastructure Ltd
Sterling and Wilson Ltd
Eureka Forbes Institute of Environment
Forbes Facility Services Private Limited

C Enterprises under Common Control -(where there are transactions)
Joyville Shapoorji Housing Pvt Ltd

(II) Transactions with Related Parties for the year ended 31st March 2020

Nature of Transactions	A				B								C	
	Eureka Forbes Limited		Shapoorji Pallonji and Company Private Limited		Forbes Facility Services Private Limited		Afcon Infrastructure Ltd.		Sterling & Wilson Pvt. Ltd.		Eureka Forbes Institute of Environment		Joyville Shapoorji Housing Pvt Ltd	
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
	2019-20	*2018-19*	2019-20	2018-19	2019-20	*2018-19*	*2019-20*	*2018-19*	2019-20	*2018-19*	2019-20	*2018-19*	2019-20	*2018-19*
Purchases														
Goods and Materials	1,29,85,703	*22,54,991*	-	-	-	-	-	-	-	-	-	-	-	-
Services Rendered	2,42,530	-		-	42,747	-	-	-	-	-	-	-	-	-
Fixed Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	1,32,28,233	*22,54,991*	-	-	42,747	-	-	-	-	-	-	-	-	-
Sales														
Goods and Materials	12,17,25,323	*14,94,16,887*	66,55,659	*52,55,735*	-	-	-	*1,04,852*	-	-	37,86,620	*9,09,035*	-	*29,239*
Services Rendered	83,88,363	*1,56,36,513*	8,45,004	*2,95,000*	-	-	-		-	-	-	*10,84,000.00*	-	-
Recovery of Expenses	17,96,239	-	-											
	13,19,09,925	*16,50,53,400*	75,00,663	*55,50,735*	-	-	-	*1,04,852*	-	-	37,86,620	*19,93,035*	-	*29,239*
Expenses														
Rent and other services	9,74,614	*7,73,747*	86,462	*88,963*		-	-	-	-	-	-	-	-	-
Interest on ICD Taken	26,57,818	*39,90,001*	-				-	-	-	-	-	-	-	-
	36,32,432	*47,63,748*	86,462	*88,963*	-	-	-	-	-	-	-	-	-	-
Finance														
Inter-corporate deposits rep	2,00,00,000	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity Shares Issued	2,00,00,000	-	-	-	-	-	-	-	-	-	-	-	-	-
Outstanding														
Trade Payables	-		-		49,586	-	-	-	-	-	-	-	-	-
Inter-corporate deposits Payable	1,50,00,000	*3,50,00,000*	-	-	-	-	-	-	-	-	-	-	-	-
Trade Receivables	53,67,938	*4,09,85,908*	77,47,301	*55,85,196*	-	-	*1,93,057*	*1,20,727*	11,644	*11,644*	*6,89,722*	*10,96,305*	-	-
Other Deposits Receivable	10,000	*10,000*	-	-	-	-	-	-	-	-	-	-	-	-

32 Operating leases

On 30 March 2019, the Ministry of Corporate Affairs (MCA) notified Ind AS 116, 'Leases' as part of the Companies (Indian Accounting Standards (Ind AS)) Amendment Rules, 2019. Ind AS 116 replaces existing standard on leases i.e. Ind AS 17, Leases with effect from 1st April, 2019 (The initial accounting application date).

Ind AS 116 sets out principles for the recognition, measurement, presentation and disclosure of leases. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. For all leases except as noted above, a lessee is required to recognise a right-of-use asset (ROU Asset) representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments in the balance sheet. Lessee will recognise depreciation of right-of-use assets and interest on lease liabilities in the statement of profit and loss. Operating cash flows will be higher as repayments of the lease liability and related interest are classified within financing activities.

Company's new accounting policy is described in paragraph 3j of Accounting Policy to the financial statements and the impact of change is descried below.

Company as a lessor:

Requirements with regard to lessor accounting are substantially similar to accounting requirements contained in Ind AS 17. Accordingly, Company will continue to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

Company as a lessee:

The Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified prospective method. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as at the date of initial application of the standard, and discounted at the Company's incremental borrowing rate at the date of initial application.

The change in accounting policy affected the following items in Balance Sheet-

Right of Use asset increased by - ₹ 10,45,994/-
Lease Liability increased by - ₹ 10,45,994/-

The operating cash flows for the year ended 31st March 2020 have increased by 67,618/- and the financing cash flows have decreased by 59,500/- as repayment of lease liabilities and related interest has been classified as cash flows from financing activities.

The following is the summary of practical expedients elected on initial application:

1 The Company has not reassessed whether a contract is or contains a lease at the date of initial application.
2 Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
3 Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application
4 Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
5 Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.
6 The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 10.25%

The difference between the lease obligation recorded as of March 31, 2019 under Ind AS 17 and the value of the lease liability as of April 1, 2019 is primarily on account of inclusion of extension and fresh evaluation of non-cancellable clauses, in measuring the lease liability in accordance with Ind AS 116 and discounting the lease liabilities to the present value under Ind AS 116.

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2020:

Particulars	Category Premises	Total
Balance as at April 1, 2019	10,45,994	10,45,994
Reclassified on account of adoption of Ind AS 116		-
Additions*	-	-
Deletion	-	-
Depreciation	(8,50,742.00)	(8,50,742.00)
Balance as at March 31, 2020	1,95,252	1,95,252

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of Profit and Loss.

The following is the break-up of current and non-current lease liabilities as at March 31, 2020

Particulars	As at March 31, 2020
Current lease liabilities	1,87,134
Non-current lease liabilities	-
Total	**1,87,134**

The following is the movement in lease liabilities during the year ended March 31, 2020:

Particulars	Year ended March 31, 2020
Balance at the beginning	10,45,994
Additions	
Finance cost accrued during the period	59,500
Deletions	-
Payment of lease liabilities	(9,18,360.00)
Translation Difference	
Balance at the end	**1,87,134**

Amounts recognised in profit and loss

Particulars	Year ended March 31, 2020
Depreciation expense on right-of-use assets	8,50,742
Interest expense on lease liabilities	59,500
Expense relating to short-term leases	16,52,416

33 Contingent liabilities

	Particulars	As at 31 March 2020	As at 31 March 2019
	Claim against the company not acknowledged as debt		
1	Income tax matters	3,30,557	3,30,557
2	Sales Tax Matters F.Y.2002-2003 and 2004-05	86,150	11,05,876
3	Bank Guarantees	12,21,696	29,86,691

Notes:

The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.

34 Segment reporting

The Company was set up with the objective of manufacturing water treatment products. This is the only activity performed and is thus also the main source of risks and returns. Accordingly, the Company has a single reportable segment. Further, as the Company does not operate in more than one geographical segment, hence the relevant disclosures as per Ind AS 108 are not applicable to the company. One customer (related party) accounts for more than 10% of the total revenue of the company.

35 In view of the country-wide lockdown due to the outbreak of COVID-19 pandemic, operations/despatches and administrative office of the Company were scaled down or shut down for certain days beginning from second half of March, 2020. The lockdown is being lifted with systematic process by the Government at this point in time and resumption of full-fledged operations will depend upon directives issued by the Government authorities. The Company continues to closely monitor the situation and take appropriate action in due compliance with the applicable regulations. The operations/despatches have partially resumed at certain locations of the Company in compliance with Government directives in June, 2020.

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of property, plant and equipment, trade receivables and other current assets. The eventual outcome or impact of COVID-19 on the Company's financial statement may differ from that estimated as at the date of approval of these financial statements, however, as per the current assessment of the management, the carrying amounts of these assets are expected to be recovered.

36. Financial instruments – Fair values and risk management (contd)
B. Measurement of fair values

C. Financial risk management
The Company has exposure to the following risks arising from financial instruments:
▪ Credit risk ;
▪ Liquidity risk ; and
▪ Market risk

i. Risk management framework
The Company’s board of directors has overall responsibility for the establishment and oversight of the Company’s risk management framework.
The Company’s risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company’s activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The board oversees how management monitors compliance with the company’s risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The board is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the board.

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities.

The carrying amount of following financial assets represents the maximum credit exposure:

Particulars	As at 31 March 2020	As at 31 March 2019
Trade receivables	2,80,83,610	7,83,19,483
Cash and cash equivalents	22,47,566	79,02,957
Other bank balances	30,68,876	16,86,222
Loans	-	-
Other financial assets	1,48,39,983	1,59,06,542

Trade and other receivables

The Company’s exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company’s standard payment and delivery terms and conditions are offered. The Company’s review includes external ratings, if they are available, and in some cases bank references. Sale limits are established for each customer and reviewed quarterly. Any sales exceeding those limits require approval from the board.

The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables.

At March 31, 2020, the maximum exposure to credit risk for trade and other receivables by geographic region was as follows.

	Carrying amount (in INR)	
	March 31, 2020	March 31, 2019
India	2,80,83,610	7,83,19,483
Other regions	-	-
	2,80,83,610	7,83,19,483

At March 31, 2020, the maximum exposure to credit risk for trade and other receivables by type of counterparty was as follows

	Carrying amount (in INR)	
	March 31, 2020	March 31, 2019
Construction (includes related party)	1,28,26,672	1,66,38,397
Education	4,29,695	28,30,780
Hospital	43,751	37,497
Hotel	1,39,973	24,364
Manufacturing	30,95,598	24,55,812
Trading Company (includes related party)	80,94,238	4,22,03,906
Others	34,53,683	1,41,16,335
Total	2,80,83,610	7,83,07,091

At March 31, 2020, the Company’s most significant customer other than the related party, a construction company, accounted for INR 128,26,672 /- of the trade and other receivables carrying amount (March 31, 2019 : INR 166,38,397/-).

Notes to the financial statements

36 Financial instruments – Fair values and risk management

A. Accounting classification and fair values

	March 31, 2020			March 31, 2019		
	FVTPL	FVTOCI	Amotised Cost	FVTPL	FVTOCI	Amotised Cost
Financial assets						
Cash and cash equivalents	-	-	22,47,566	-	-	79,02,957
Other bank balances	-	-	30,68,876	-	-	16,86,222
Long-term loans and advances	-	-	-	-	-	-
Short-term loans and advances	-	-	-	-	-	-
Trade and other receivables	-	-	2,80,83,610	-	-	7,83,19,483
Current Investments	1,37,184	-		1,87,703	-	-
Non Current Investments	-	-	-	-	-	-
Other Current financial Asset	-	-	5,480	-	-	94,476
Other Non Current financial Asset	-	-	1,48,34,503	-	-	1,58,12,066
				-	-	
Total Financial Asset	1,37,184	-	4,82,40,035	1,87,703	-	10,38,15,204
Financial liabilities				-	-	
Trade and other payables	-	-	5,29,67,579	-	-	7,83,72,694
Other Current financial liabilities	-	-	46,81,915	-	-	30,75,399
Other Non Current financial liabilities	-	-	-	-	-	-
Current Borrowings	-	-	1,50,00,000	-	-	4,48,24,120
Non Current Borrowings	-	-	-	-	-	-
	-	-	-	-	-	
Total Financial Liabilities	-	-	7,26,49,494	-	-	12,62,72,213

Fair value Hierarchy

This section explains the judgement and the estimates made in determiningg the fair values of the financial instuments that are (a) recognised and measured at fair value and(b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

		March 2020				March 2019			
Assets and Liabilities which are measured at amortised cost for which fair values are disclosed	Notes	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets									
Long-term loans and advances		-	-	-	-	-	-	-	-
Short-term loans and advances		-	-	-	-	-	-	-	-
Trade and other receivables		-	-	-	-	-	-	-	-
Current Investments	6	1,37,184	-	-	1,37,184	1,87,703	-	-	1,87,703
Non Current Investments		-	-	-	-	-	-	-	-
Other Current financial Asset		-	-	-	-	-	-	-	-
Other Non Current financial Asset		-	-	-	-	-	-	-	-
Total Financial Asset		1,37,184	-	-	1,37,184	1,87,703	-	-	1,87,703
Financial liabilities									
Trade and other payables		-	-	-	-	-	-	-	-
Other Current financial liabilities		-	-	-	-	-	-	-	-
Other Non Current financial liabilities		-	-	-	-	-	-	-	-
Current Borrowings		-	-	-	-	-	-	-	-
Non Current Borrowings		-	-	-	-	-	-	-	-
Total Financial Liabilities		-	-	-	-	-	-	-	-

Level 1 : Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (inlcuding bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2 : The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivates) is determined using valuation techniques which maximise the use ofobservable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3 : If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

Valuation techniques and significant unobservable inputs

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments.
- the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- the fair value of forward foreign excahnge contracts and principal swap is determined using forward exchange rates at the balance sheet date.
- the fair value of foreign currency option contracts is determined using the Black Scholes valuation model.
- the fair value of the remaining financial instruments is determined using the discounted cash flow analysis.

All of the resulting fair value estimates are included in level 2 except for unlisted equity securities, contingent consideration and indemnification asset, where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

C. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

i. Risk management framework

The Company's board of directors has

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

The board oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The board is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the board.

36. Financial instruments – Fair values and risk management (contd)

Impairment

At March 31, 2020, the ageing of trade and other receivables that was as follows:

	Carrying amount (in INR)	
	March 31, 2020	March 31, 2019
Not due	80,71,968	5,03,45,327
0-30 days	9,16,216	38,91,325
31-60 days	10,86,879	62,17,213
61-90 days	2,94,661	53,94,608
91-180 days	18,73,434	17,44,570
181-365 days	39,42,832	26,38,577
365 days and above	2,36,44,808	80,87,863
	3,98,30,798	7,83,19,483

Management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk.

An analysis of the credit quality of trade and other receivables that are neither past due nor impaired is as follows.

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows.

	INR
	Collective impairments
Balance as at April 1, 2018	77,11,207
Impairment loss recognised	25,87,989
Amounts written off	-
Balance as at March 31, 2019	1,02,99,196
Impairment loss recognised	14,47,992
Amounts written off	-
Balance as at March 31, 2020	1,17,47,188

At March 31, 2020, there was an impairment loss of INR 1,17,47,188/- related to a several customers where the company is doubtful of recovery. The Company believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit ratings if they are available.

Cash and cash equivalents

The Company held cash and cash equivalents of INR 22,47,566/- at March 31, 2020 (March 31, 2019: INR 79,02,957/-).

36. Financial instruments – Fair values and risk management (contd)

iii. Liquidity risk

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

The Company maintains the following lines of credit.
INR 1,00,000/- overdraft facility with IDBI Bank Ltd. that is secured against Fixed Deposit. Interest would be payable at the rate of 8.20%p.a (March 31, 2019: 9.50% p.a).
In addition, the Company maintains the following lines of credit.
INR 300,00,000/- Working Capital facility with Kotak Mahindra Bank Limited that is secured by floting charge on book debts .Interest would be payable at the rate of 9.50% p.a.

Exposure to liquidity risk

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

March 31, 2020		Contractual cash flows				
	Carrying amount	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
INR						
Non-derivative financial liabilities						
Borrowings	1,50,00,000	1,50,00,000	1,50,00,000	-	-	-
Trade and other payables	5,29,67,579	5,29,67,579	5,29,67,579	-	-	-
Other financial liabilities	46,81,915	46,81,915	46,81,915	-	-	-

March 31, 2019		Contractual cash flows				
	Carrying amount	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
INR						
Non-derivative financial liabilities						
Borrowings	4,48,24,120	4,48,24,120	4,48,24,120	-	-	-
Trade and other payables	7,83,72,693	7,83,72,693	7,83,72,693	-	-	-
Other financial liabilities	30,75,399	30,75,399	30,75,399	-	-	-

36. Financial instruments – Fair values and risk management (contd)

iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments.Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. We are exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of our investments. Thus, our exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

Currency risk

The Company is not exposed to currency risk on account of payables in foreign currency. The functional currency of the Company is Indian Rupee.

The Company does not use derivative financial instruments for trading or speculative purposes.

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against US dollars at March 31 would have affected the measurement of financial instruments denominated in US dollars and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Profit or loss		Equity, net of tax	
Effect in INR	Strengthening	Weakening	Strengthening	Weakening
March 31, 2020				
USD 5% movement	-	-	-	-
GBP 10% movement	-	-	-	-
	-	-	-	-

	Profit or loss		Equity, net of tax	
Effect in INR	Strengthening	Weakening	Strengthening	Weakening
March 31, 2019				
USD 5% movement	-	-	-	-
GBP 10% movement	-	-	-	-
	-	-	-	-

36. Financial instruments – Fair values and risk management (contd)
v. Interest risk

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

	As at 31 March 2020	As at 31 March 2019
Fixed rate instruments		
Financial assets		
Deposits with banks	47,91,717	44,15,678
Financial Liabilities		
Intercorporate deposit from related parties	1,50,00,000	3,50,00,000
	1,50,00,000	3,50,00,000
Variable-rate instruments		
Financial liabilities		
Overdraft against fixed deposit	-	-
Bill discounting	-	98,24,120
	-	98,24,120

Cash flow sensitivity analysis for variable-rate instruments

An increase of 50 basis points in interest rates at the reporting date would have decreased gain as at year end by the amounts shown below. This analysis assumes that all other variables remain constant.

Particulars	Profit or loss
31 March 2020	
Variable-rate instruments	-
Cash flow senstivity	-
31 March 2019	
Variable-rate instruments	49,121
Cash flow senstivity	49,121

A decrease of 50 basis points in the interest rates at the reporting date would have had equal but opposite effect on the amounts shown above, on the basis that all other variable remain constant.

36. Financial instruments – Fair values and risk management (contd)

(vi) Price Risk

(a) Exposure

The Company's exposure to mutual fund price risk arises from investment held by the company and classified in the balance sheet as fair value through profit or loss.

(b) Sensitivity

The table below summarises the impact of increases/decreases of the NAV on the company's equity and profit for the period. The analysis is based on the assumption that the NAV is linked to BSE Sensex movement which had increased or decreased by 10% (2019-10%) with all other variables held constant.

	Impact on profit after tax		Impact on other components of equity	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Increase in NAV by 10%(2019 - 10%)	13,718	18,770	-	-
Decrease in NAV by 10%(2019 - 10%)	(13,718)	(18,770)	-	-

Profit for the period would increase/decrease as a result of gains/losses on NAV of mutual fund securities classified as at fair value through profit or loss.

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

As per our report of even date
For BATLIBOI & PUROHIT
Chartered Accountants
Firm Regn No.101048W

Vikram Surendran *Director*

R.S.Moorthy *Director*

ATUL MEHTA
Partner
Membership No.15935

Mumbai, Dated 27th June,2020.

INDEPENDENT AUDITOR'S REPORT

To the Members of Forbes Enviro Solutions Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Forbes Enviro Solutions Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the loss (including Other Comprehensive Income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 36 of the financial statements, in view of the accumulated losses, we have considered and relied on the parent company's continued operational and financial support to the Company and based on this, the financial statements have been prepared on the Going Concern basis. Our opinion is not modified in respect of this matter.

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

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

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

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

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

Responsibility of Management for Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

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

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

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

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

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

   i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 34 to the financial statements.

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

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

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

Atul Mehta
Partner
Membership No. 15935

Place : Mumbai
Date : 6th May, 2019

Annexure - A to the Auditors' Report

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

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

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

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

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

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

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.

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

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

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

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

(b) According to information and explanations given to us, the following dues of sales tax and income tax have not been deposited by the Company on account of dispute. There are no dues of service tax, sales-tax, wealth tax, goods and service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.

Name of statute	**Nature of dues**	**Amount under dispute (Rs)**	**Period to which the amount relates**	**Forum where dispute is pending**
Sales Tax Act	Maharashtra Value Added Tax	10,71,025	2002-03, 2004-05	Commissioner of Sales Tax
	Central Sales Tax	34,851	2004-05	Commissioner of Sales Tax
Income Tax Act	Income Tax Dues	4,350	AY 2010-11	Assessing Authority
		115,060	AY 2009-10	Assessing Authority
		53,470	AY 2007-08	Assessing Authority
		157,677	AY 2006-07	Assessing Authority

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

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

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

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

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

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

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

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

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

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

Atul Mehta
Partner
Membership No. 15935

Place : Mumbai
Date : 6th May, 2019

Annexure - B to the Auditors' Report

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

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

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls system over Financial Reporting and their operating effectiveness. Our audit of Internal Financial Controls over Financial Reporting included obtaining an understanding of Internal Financial Controls over Financial Reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of Internal Control based on the assessed risk. The procedures selected depend on the Auditor's

Judgment, including the assessment of the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

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

Atul Mehta
Partner
Membership No. 15935

Place : Mumbai
Date : 6th May, 2019

BALANCE SHEET AS AT 31ST MARCH, 2019

			Notes	As at March 31, 2019 (₹ Lakh)	As at March 31, 2018 (₹ Lakh)
		ASSETS			
		Non-current Assets			
(a)		Property, plant and equipment	4	26.30	24.10
(b)		Intangible assets	5	1.05	1.15
(c)		Financial assets			
	(i)	Other financial assets	9	36.47	20.60
(d)		Tax assets			
	(i)	Deferred tax asset (Net)	17	31.21	25.65
	(ii)	Current tax asset (Net)	21	96.28	89.06
(e)		Other non-current assets	12	121.64	111.52
		Total Non-current Assets		312.95	272.08
		Current Assets			
(a)		Inventories	10	181.74	198.66
(b)		Financial assets			
	(i)	Investments	6	1.88	1.91
	(ii)	Trade receivables	7	783.20	778.44
	(iii)	Cash and cash equivalents	11	79.03	40.91
	(iv)	Bank balances other than (iii) above	11	16.86	30.78
	(v)	Loans	8	-	-
	(vi)	Other financial assets	9	0.94	1.20
(c)		Income Tax Asset (Net)	21	-	-
(c)		Other current assets	12	35.56	99.95
				1,099.21	1,151.85
		Total Current Assets		1,099.21	1,151.85
		Total Assets		1,412.16	1,423.93
		EQUITY AND LIABILITIES			
		Equity			
(a)		Equity share capital	13	282.73	282.73
(b)		Other Equity	14	(217.48)	(149.88)
		Total Equity		65.25	132.85
		Liabilities			
		Non-current Liabilities			
(a)		Financial liabilities		-	-
(b)		Provisions	16	2.71	3.93
		Total Non-current Liabilities		2.71	3.93
		Current Liabilities			
(a)		Financial liabilities			
	(i)	Borrowings	19	448.24	436.71
	(ii)	Trade and other payables		-	-
	(a)	Total outstanding dues of micro and small enterprises	20	126.05	23.69
	(b)	Total outstanding dues other than (ii) (a) above	20	657.68	721.60
	(iii)	Other financial liabilities	15	26.58	49.26
(b)		Provisions	16	1.93	10.84
(c)		Current tax liabilities (Net)	21	37.56	37.59
(d)		Other current liabilities	18	46.16	7.46
		Total Current Liabilities		1,344.20	1,287.15
		Total Liabilities		1,346.91	1,291.08
		Total Equity and Liabilities		1,412.16	1,423.93
				-	-

As per our report of even date
For BATLIBOI & PUROHIT
Chartered Accountants
Firm Regn No.101048W

Vikram Surendran — Director

R.S.Moorthy — Director

ATUL MEHTA
Partner
Membership No.15935

Ashu Khanna — Director

Mumbai, Dated 06th May,2019.

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

		Notes	Year 2018-19 (₹ Lakh)	Year 2017-18 (₹ Lakh)
I	Income			
	Revenue from Operations	22	2,592.51	2,655.48
	Other income and other gains / (losses)	23	9.22	14.80
	Total Income		2,601.73	2,670.28
II	Expenses			
	Cost of materials consumed	24	1,841.40	1,904.64
	Purchases of stock-in-trade		63.75	152.21
	Changes in inventories of finished goods, stock-in-trade and work-in-progress		98.72	(69.48)
	Excise Duty on sale of goods		-	2.95
	Employee benefits expense	25	225.92	275.11
	Finance costs	26	49.19	47.01
	Depreciation and amortisation expense	27	5.36	7.59
	Other expenses	28	393.20	471.53
	Total expenses		2,677.54	2,791.56
III	Profit/(Loss) before exceptional items and tax		(75.81)	(121.28)
	Add/ (Less) : Exceptional items			-
IV	Profit/(Loss) before tax		(75.81)	(121.28)
	Less: Tax expense			
(1)	Current tax	29.1	-	-
(2)	Prior year tax Provision		(0.70)	4.46
(3)	Deferred tax - Debit/(Credit)		(5.56)	7.17
			(6.26)	11.63
V	Profit/(Loss) for the year		(69.55)	(132.91)
VI	Other Comprehensive Income			
A	Items that will not be reclassified to statement of profit or loss			
(a)	Remeasurements of the defined benefit plans		1.96	2.91
(b)	Income tax relating to items that will not be reclassified to statement of profit or loss		-	-
			1.96	2.91
B	Items that may be reclassified to statement of profit or loss			
(a)	Income tax relating to items that may be reclassified to statement of profit or loss			
			-	-
	Total other comprehensive income (A + B)		1.96	2.91
	Total comprehensive income for the period (V+VI)		(67.59)	(130.00)
	Profit for the year attributable to:			
	- Owners of the Company		(69.55)	(132.91)
			(69.55)	(132.91)
	Other comprehensive income for the year attributable to			
	- Owners of the Company		1.96	2.91
			1.96	2.91
	Total comprehensive income for the year attributable to			
	- Owners of the Company		(67.59)	(130.00)
			(67.59)	(130.00)
	Earnings per equity share	30		
	(1) Basic (in Rs.)		(2.46)	(4.70)
	(2) Diluted (in Rs.)		(2.46)	(4.70)

As per our report of even date
For BATLIBOI & PUROHIT
Chartered Accountants
Firm Regn No.101048W

Vikram Surendran — Director

R.S.Moorthy — Director

ATUL MEHTA
Partner
Membership No.15935

Ashu Khanna — Director

Mumbai, Dated 06th May,2019.

Director

Forbes Enviro Solutions Limited

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

	Notes	Year ended March 31, 2019 (₹ Lakh)	Year ended March 31, 2018 (₹ Lakh)
Cash flows from operating activities			
Profit/loss before tax for the year		(75.81)	(121.28)
Adjustments for:			
Finance costs recognised in profit or loss		49.19	47.01
Investment(gain)/loss recognised in profit or loss		0.03	(0.15)
Interest Income		(2.84)	(3.06)
(Profit)/Loss on disposal of property, plant and equipment		-	(0.07)
Provision for doubtful debt		25.88	(3.57)
Write-off of doubtful debts, advances and other current assets		14.65	35.88
Depreciation and amortisation of fixed assets/ intangibles		5.36	7.59
		16.46	(37.65)
Movements in working capital:			
(Increase)/decrease in trade and other receivables		(45.31)	485.65
(Increase)/decrease in inventories		16.92	(56.85)
(Increase)/decrease in current loans and advances		-	0.05
(Increase)/decrease in current other assets		64.39	(35.91)
(Increase)/decrease in non current other assets		(10.12)	29.99
(Increase)/decrease in current other financial assets		0.40	-
(Increase)/decrease in non current other financial assets		7.24	2.57
Increase/ (Decrease) in trade and other payables		38.44	(294.10)
Increase/(Decrease) in provisions		(8.16)	0.17
Increase/(Decrease) in other liabilities		16.02	(65.67)
Cash generated from operations		96.28	28.25
Income taxes paid (net of refunds)		(6.55)	(22.73)
Net cash generated by operating activities		89.73	5.52
Cash flows from investing activities			
Interest Income		2.84	3.06
Payments for property, plant and equipment		(7.28)	(6.32)
Proceeds from disposal of property, plant and equipment		-	0.22
Payments for intangible assets		(0.18)	
Net Movement in Bank Balance not considered as Cash & Cash equivalents		(9.33)	2.86
Net cash (used in)/generated by investing activities		(13.95)	(0.18)
Cash flows from financing activities			
Net increase / (decrease) in working capital borrowings		11.53	60.55
Interest expense		(49.19)	(47.06)
Net cash used in financing activities		(37.66)	13.49
Net increase in cash and cash equivalents		38.12	18.83
Cash and cash equivalents at the beginning of the year		40.91	22.07
Cash and cash equivalents at the end of the year		79.03	40.91
Less Bank Overdraft		-	-
Net Cash and cash equivalents at the end of the year		79.03	40.91

As per our report of even date
For BATLIBOI & PUROHIT
Chartered Accountants
Firm Regn No.101048W

Vikram Surendran — Director

R.S.Moorthy — Director

ATUL MEHTA
Partner
Membership No.15935

Ashu Khanna — Director

Mumbai, Dated 06th May ,2019.

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

a. Equity share capital

	No.of Shares (in Lakh)	Amount (₹ Lakh)
Balance at April 1, 2017	28.27	282.73
Changes in equity share capital during the year	-	-
Balance at March 31, 2018	28.27	282.73
Changes in equity share capital during the year	-	-
Balance at March 31, 2019	28.27	282.73

B. Other Equity

	Attributable to Owners		
		Items Of Other Comprehensive Income	Total Other Equity
	Retained earnings	Remeasurement of Employee benefit	
	(₹ Lakh)	(₹ Lakh)	(₹ Lakh)
Balance at 1st April 2017	(18.94)	(0.95)	(19.89)
Profit for the year	(132.91)		(132.91)
Other comprehensive income for the year, net of income tax		2.91	2.91
Transfer to retained earnings	1.96	(1.96)	-
Total comprehensive income for the year 31st March 2018	(149.89)	-	(149.89)
Profit for the year	(69.55)	-	(69.55)
Other comprehensive income for the year, net of income tax	-	1.96	1.96
Total comprehensive income for the year 31st March 2019	(69.55)	1.96	(67.59)
Transfer to retained earnings	1.96	(1.96)	
Balance as at 31st March 2019	(217.48)	-	(217.48)

As per our report of even date
For BATLIBOI & PUROHIT
Chartered Accountants
Firm Regn No.101048W

ATUL MEHTA
Partner
Membership No.15935

Mumbai, Dated 06th May ,2019

Vikram Surendran — Director

R.S.Moorthy — Director

Ashu Khanna — Director

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

1.Reporting entity

Forbes Enviro Solutions Limited (the 'company') is a company domiciled in India, with its registered office situated at B1/ B2 Marathon Innova, Off Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400013. Its parent Company is Eureka Forbes Limted and ultimate holding company is Shapoorji Pallonji and Company Private Ltd. The Company is engaged in manufacturing and trading of Water and Waster Water Treatment plants and taking OEM's and Trading of Packaged Drinking Water etc.

The manufacturing facility of the company is located at 143, C-4, Bommasandra Industrial Area, off. Hosur Road, Banglore, Karnatal

2. Basis of preparation

a. Statement of compliance

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

The financial statements were authorised for issue by the Company's Board of Directors on 06th May, 2019.

Details of the Company's accounting policies are included in Note 3.

b. Functional and presentation currency

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

c. Basis of measurement

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

d. Use of estimates and judgements

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

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

Judgements

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

- Note 3(c)(iv) and 4 – useful life of Property, plant and equipment
- Note 3(d)(iii) and 5 – useful life of Intangible assets
- Note 3(g) and 31 – employee benefit plans
- Note 3(h) and 34 – provisions and contingent liabilities
- Note 3(l) and 29 – Income taxes
- Note 3(j) and 33 – Lease classification

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2019 is included in the following notes:

-Note 17 – recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;

-Note 34 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;

e. Measurement of fair values

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

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

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

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

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

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

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

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

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

- Note 37 – financial instruments.

3. Significant accounting polices

a. Foreign currency transactions

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

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

b. Financial instruments

i. Recognition and initial measurement

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

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

ii. *Classification and subsequent measurement*

Financial assets

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

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

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

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

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

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

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

Financial assets: Subsequent measurement and gains and losses

- Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

- Financial assets at amotised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

-Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

-Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

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

iii. *Derrecogniton*

Financial assets

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

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

Financial liabilities

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

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

iv. *Offsetting*

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

c. Property, plant and equipment

i. Recognition and measurement

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

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

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

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

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

ii. Subsequent expenditure

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

iii. Depreciation

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

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

Asset	Management estimate of useful life	As per Schedule II of Companies Act
Plant and machinery	15yrs	15yrs
Office equipments	3- 5yrs	5yrs
Furniture and fixtures	10yrs	10yrs
Computers	3yrs	3yrs
Vehicles- Motor car	8 yrs	8yrs
Vehicle- Motor bike	10 yrs	10yrs
Electric fittings	10yrs	10yrs

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

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

d. Intangible assets

i. Acquired intangible

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

ii. Subsequent expenditure

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

iii. Amortisation

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

The estimated useful live is as follows:

- Software 5 years

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

e. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity. (refer note 10)

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

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

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

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

f. Impairment

i. Impairment of financial instruments

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

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

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

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

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

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

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

ii. Impairment of non-financial assets

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

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

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

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

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

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

g. Employee benefits

i. ***Short-term employee benefits***

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

ii. ***Defined contribution plans***

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

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

iii. Defined benefit plans

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

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

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

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

iv. Other long-term employee benefits

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

h. Provisions and contingent liabilities

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

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

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

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

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

i. Revenue

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

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

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

j. Leases

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

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

k. Recognition of interest income or expense

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

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

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

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

l. Income tax

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

i. Current tax

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

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

ii. Deferred tax

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

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

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

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

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

m. Earnings per share

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

n. Recent accounting pronounecements

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

In completion of evaluation of the effect of adoption of Ind AS 116, the Company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application) April 1, 2019). Accordingly, comparatives for the year ended March 31, 2019 will not be retrospectively adjusted. The company has elected certain available practical expedients on transition.

The effect of adoption as on transition date would be result in an increase in Right of use asset and an increase in lease liability.

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

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019.

The adoption of Ind AS 12 Appendix C would not have any material impact on the financial statements.

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

Amendment to Ind AS 19 – plan amendment, curtailment or settlement - The Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', on 30 March, 2019 in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:

a) To use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and

b)To recognise in profit or loss as part of past service cost. Or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset celling.

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

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

4. Tangible Assets

Cost or deemed cost	Furniture and fixtures (₹ Lakh)	Vehicles (₹ Lakh)	Computers (₹ Lakh)	Electrical Fittings (₹ Lakh)	Office Equipment (₹ Lakh)	Total (₹ Lakh)
As at 01st April 2017	25.33	2.12	14.09	8.54	9.53	59.61
Additions	4.31	-	0.92	-	1.09	6.32
Deletions	-	(2.12)	-	-	-	(2.12)
As at 31 March 2018	29.64	-	15.01	8.54	10.62	63.81
Additions	4.22	-	-	-	3.06	7.28
Deletions	-	-	-	-	-	-
As at 31 March 2019	33.86	-	15.01	8.54	13.68	71.09
Depreciation						
As at 01st April 2017	10.16	1.94	13.15	3.38	7.71	36.34
Deletions	-	(1.98)	-	-	-	(1.98)
Charge for the year	2.83	0.04	0.37	0.93	1.18	5.35
As at 31 March 2018	12.99	-	13.52	4.31	8.89	39.71
Deletions	-	-	-	-	-	-
Charge for the year	3.12	-	0.39	0.93	0.64	5.08
As at 31 March 2019	16.11	-	13.91	5.24	9.53	44.79
Net Block						
As at 31 March 2018	16.65	-	1.49	4.23	1.73	24.10
As at 31 March 2019	17.75	-	1.10	3.30	4.15	26.30

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

5. Intangible Assets

Cost or deemed cost	Computer Software (₹ Lakh)	Total (₹ Lakh)
As at 01st April 2017	15.04	15.04
Addition	-	-
Deletion	-	-
As at 31 March 2018	15.04	15.04
Addition	0.18	0.18
Deletion	-	-
As at 31 March 2019	15.22	15.22
Amortisation		
As at 01st April 2017	11.65	11.65
Charge for the year	2.24	2.24
Deletion	-	-
As at 31 March 2018	13.89	13.89
Charge for the year	0.28	0.28
Deletion	-	-
As at 31 March 2019	14.17	14.17
Net Block		
As at 31 March 2018	1.15	1.15
As at 31 March 2019	1.05	1.05

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

Financial assets

6. Other Current Investments

Particulars	As at March 31, 2019 (₹ Lakh)	As at March 31, 2018 (₹ Lakh)
Unquoted Investments (all fully paid		
(a) Investments in Mutual Funds at FVTPl		
357.856 (previous year 357.856) units of ₹10/- fully paid up in Reliance Vision Fund- Growth Plan Growth Option	1.88	1.91
TOTAL UNQUOTED INVESTMENTS at FVTPl	1.88	1.91

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

7. Trade receivables

Particulars	Non Current As at March 31, 2019 (₹ Lakh)	Non Current As at March 31, 2018 (₹ Lakh)	Current As at March 31, 2019 (₹ Lakh)	Current As at March 31, 2018 (₹ Lakh)
Unsecured, considered good			408.19	367.17
Unsecured , Debts due from related parties (refer note 32 (II))			478.00	488.38
Unsecured, considered doubtful from related parties			-	-
Less: Expected credit loss			102.99	77.11
Total (A)	-	-	783.20	778.44
Total (B)	-	-	-	-
Total	-	-	783.20	778.44

7.1 Trade receivables
The average credit period on sales is between 60-90 days.

The Company has availed various credit facilities from Kotak Mahindra Bank Limited for INR 300 Lakhs that is secured by floting charge on book debts.

8. Loans

Particulars	Non Current As at March 31, 2019 (₹ Lakh)	Non Current As at March 31, 2018 (₹ Lakh)	Current As at March 31, 2019 (₹ Lakh)	Current As at March 31, 2018 (₹ Lakh)
Loans to Employees				
-Unsecured, considered good	-	-	-	-
-Doubtful				
Less : Allowance for bad and doubtful loans				
	-	-	-	-

9. Other financial assets

Particulars	Non Current As at March 31, 2019 (₹ Lakh)	Non Current As at March 31, 2018 (₹ Lakh)	Current As at March 31, 2019 (₹ Lakh)	Current As at March 31, 2018 (₹ Lakh)
Bank deposits with more than 12 months maturity (refer note 9(i))	27.29	4.04		
Security deposits				
Security deposits - unsecured considered good - to related parties (refer note 32 (II)	0.10	0.10		
Security deposits - unsecured considered good	8.10	16.46	0.80	1.20
Interest Accrued -				
on fixed deposits with Banks	0.98	-	0.14	-
	36.47	20.60	0.94	1.20

Note9(i): Current year amount of bank deposit of Rs.1.13 Lakhs (previous year Rs.1.11 Lakhs) is pledged as security towards the Overdraft facility with IDBI Bank of Rs.1 Lakh /- (previous year Rs.1 Lakh/-) at interest rate of 9.50% (previous year 9.50%). Out of the total Bank deposit pledged with IDBI Bank as of 31st March 2019 the amount of Rs.1.13 Lakhs is with maturity more than 12 months

10. Inventories

Particulars	As at March 31, 2019 (₹ Lakh)	As at March 31, 2018 (₹ Lakh)
a) Inventories (lower of cost and net realisable value) #		
Raw Material & Spares	167.26	85.46
Work in Progress	14.48	113.20
	181.74	198.66

#Cost of inventories recognised as an expense include Rs.9.92 Lakhs (2017-18 Rs.4.02 Lakh) in respect of write - downs of inventory to net realisable value.

11. Cash and cash equivalents

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

Particulars	As at March 31, 2019 (₹ Lakh)	As at March 31, 2018 (₹ Lakh)
Balances with Banks in current accounts	78.42	39.38
Cheques, drafts on hand	-	-
Cash on hand	0.61	1.53
Total Cash & Cash Equivalents	79.03	40.91
Bank Balances other than Cash & Cash Equivalents		
Deposits with original maturity of more than 12 months	-	-
Deposits with original maturity of more than 3 months but less than 12 months(refer note 9(i))	16.86	30.78
Total Bank Balances other than Cash & Cash Equivalents	16.86	30.78

12. Other assets

Particulars	Non Current		Current	
	As at March 31, 2019 (₹ Lakh)	As at March 31, 2018 (₹ Lakh)	As at March 31, 2019 (₹ Lakh)	As at March 31, 2018 (₹ Lakh)
Prepaid expenses	-	-	3.73	5.56
Balance with statutory/ government authorities	121.64	111.52	9.83	67.07
Gratuity	-	-	3.30	2.73
Advance to Employees	-	-	0.88	1.07
Advances to Others -Vendors	-	-	17.82	23.52
Total	121.64	111.52	35.56	99.95

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

13. Equity Share Capital

Particulars	As at March 31, 2019 (₹ Lakh)	As at March 31, 2018 (₹ Lakh)
Equity share capital	282.73	282.73
Total	282.73	282.73
Authorised Share capital :		
50 Lakhs fully paid equity shares of ₹ 10 each	500.00	500.00
Issued and subscribed capital comprises:		
28,27,263 fully paid equity shares of ₹.10 each (as at March 31, 2018: 28,27,263	282.73	282.73
	282.73	282.73

13.1 Fully paid equity shares

Particulars	Number of shares (in Lakh)	Share capital (₹ Lakh)
Balance at April 1, 2017	28.27	282.73
Add: Issued during the year	-	-
Less: Bought back during the year	-	-
Balance at March 31, 2018	28.27	282.73
Add: Issued during the year	-	
Less: Bought back during the year	-	
Balance at March 31, 2019	28.27	282.73

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

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

Particulars	Fully paid ordinary shares As at March 31, 2019 (in Lakh)	As at March 31, 2018 (in Lakh)
Balance at the beginning of the period - Held by Eureka Forbes Limited	28.27	28.27
Total as at the end of the period	28.27	28.27

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

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of shares held	% holding in the class of shares	Number of shares held	% holding in the class of shares
Fully paid equity shares	(in Lakh)		(in Lakh)	
Eureka Forbes Limited	28.27	100%	28.27	100%
Total	28.27	100%	28.27	100%

13.4 Capital management

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

The capital structure of the company consists of net debt (borrowings as detailed in notes 19 offset by cash and bank balances) and equity of the Company (comprising issued capital, reserves and retained earnings as detailed in notes 13 to 14).

The company is not subject to any externally imposed capital requirements

13.4.1 Gearing ratio

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

Particulars	As at March 31, 2019 (₹ Lakh)	As at March 31, 2018 (₹ Lakh)
Debt (i)	448.24	436.71
Cash and bank balances	123.18	75.73
Net debt	325.06	360.98
Equity (ii)	65.25	132.85
Net debt to equity ratio	4.98	2.72

Debt is defined as long- and short-term borrowings (excluding derivative, financial guarantee contracts and contingent consideration), as described in notes 19.

14. Other equity

Particulars	As at March 31, 2019 (₹ Lakh)	As at March 31, 2018 (₹ Lakh)
Retained earnings		
Balance at beginning of year	(149.88)	(18.94)
Add/ (less): Profit/ (loss) for the year	(69.56)	(132.90)
Proft & (Loss) balance of transferor Companies	-	-
Less: Adjustment on amalgamation	-	-
Less: Goodwill on amlagamation written off	-	-
obligation net of income tax		
Add: Transfer from OCI	1.96	1.96
Balance at end of the year	(217.48)	(149.88)

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

Financial Liabilities

15. Other financial liabilities

Particulars	Non Current		Current	
	As at March 31, 2019 (₹ Lakh)	March 31, 2018 (₹ Lakh)	As at March 31, 2019 (₹ Lakh)	As at March 31, 2018 (₹ Lakh)
(a) Interest accrued but not due on borrowings			-	-
(b) Deposits for Jars			6.79	7.13
(c) Others :-				
-Dues to employees			16.21	12.85
-Dues to Others			3.59	29.28
Total	-	-	26.58	49.26

16. Provisions

Particulars	Non Current		Current	
	As at March 31, 2019 (₹ Lakh)	As at March 31, 2018 (₹ Lakh)	As at March 31, 2019 (₹ Lakh)	As at March 31, 2018 (₹ Lakh)
Employee benefits on Compensated absence	2.71	3.93	0.56	0.82
Provision for Warranty (see 16.1)	-	-	1.37	10.02
				-
Total	2.71	3.93	1.93	10.84

16.1 Provision for Warranty

The company gives warranty on certain products, undertaking to repair or replace the items that fail to perform satisfactorily during the warranty period. Warranty provisions are made for expected future outflows where no reimbursements are expected and estimated based on using historical information on the nature frequency and average cost of warranty claims. The Table given below gives information about movement in warranty provisions.

	As at March 31, 2019 (₹ Lakh)	As at March 31, 2018 (₹ Lakh)
At the beginning of the year	10.01	12.65
Additions during the year	1.37	10.01
Utilization during the year		
Amount reversed /(utilisation) during the year	10.01	12.65
At the end of the year	1.37	10.01

17. Deferred tax balances

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

Particulars	As at March 31, 2019 (₹ Lakh)	As at March 31, 2018 (₹ Lakh)
Deferred tax assets	31.21	25.65
Deferred tax liabilities	-	-
Net	31.21	25.65

Particulars	Property, plant and equipment	MAT Credit Entitlement	Provisions for Doubtful Debts	Provsions - impact of expenditure charged to the profit and loss in the current year but allowed for tax on payment basis	Amalgamation Expense	Total
Deferred tax (liabilities)/assets in relation to:						
Net balance April 1, 2017	2.18	-	24.93	1.50	4.21	32.82
Recognised in profit or loss	(0.65)		(4.88)	(0.97)	(0.67)	(7.17)
Utilised against tax payable		-				-
Closing balance Asset / (Liability) March 31, 2018	1.53	-	20.05	0.53	3.54	25.65
Recognised in profit or loss	0.28	-	6.73	0.32	(1.77)	5.56
Utilised against tax payable		-				-
Closing balance March 31, 2019	1.81	-	26.78	0.85	1.77	31.21

The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

18. Other Liabilities

Particulars	Non Current As at March 31, 2019 (₹ Lakh)	Non Current As at March 31, 2018 (₹ Lakh)	Current As at March 31, 2019 (₹ Lakh)	Current As at March 31, 2018 (₹ Lakh)
(a) Income received in advance			-	-
(b) Advance received from Customers			36.03	2.41
(c) Statutory liabilities (Contributions to PF,Pension, ESIC,withholding Taxes,VAT,GST etc.)			10.13	5.05
Total	-	-	46.16	7.46

19. Current Borrowings

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured - at amortised cost		
(a) Loans repayable on demand from related party (refer note (i) below	350.00	350.00
Secured - at amortised cost		
(b) Loans repayable on demand		
-Bill discounting (refer note (iii) below	98.24	86.71
Overdraft facility- (refer note (ii) below	-	-
Total	448.24	436.71

(i) Amounts repayable to related parties of the Group. Interest of 11.4%per annum is charged on the outstanding loan balances (as at March 31, 2018 11.4%).

(ii) Secured by fixed deposit (refer note 9(i)). The interest rate on the overdraft facility with bank is 9.5% per annum (as at March 31, 2018: 9.5% per annum)

(iii) The company has utilised the Secured facility of bill discounting available with Kotak Mahindra Bank with interest rate of 9.50% P.A.(as at Mar 31, 2018: 9.50% P.A.)

20. Trade payables

Particulars	Non Current As at March 31, 2019 (₹ Lakh)	Non Current March 31, 2018 (₹ Lakh)	Current As at March 31, 2019 (₹ Lakh)	Current As at March 31, 2018 (₹ Lakh)
Trade payables (including acceptances	-	-	657.68	721.60
Trade payables - MSME (Refer note below 20.1 for dues to Micro and Small Enterprises)			126.05	23.69
Total	-	-	783.73	745.29

The average credit period for purchase of certain goods is 60-90 days. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

20 .1 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	As at March 31, 2019	As at March 31, 2018
(i) Principal amount remaining unpaid to MSME suppliers as on year end 31.03.2019	125.65	23.69
(ii) Interest due on unpaid principal amount to MSME suppliers as on year end	0.40	-

21. Income tax assets and liabilities

Particulars	Non Current As at March 31, 2019 (₹ Lakh)	Non Current As at March 31, 2018 (₹ Lakh)	Current As at March 31, 2019 (₹ Lakh)	Current As at March 31, 2018 (₹ Lakh)
Current tax assets (Net)				
Advance income-tax (Net of provision of taxation)	96.28	89.06	-	-
Total	96.28	89.06	-	-
Current tax Liabilities				
Provision for Taxation (Net of Advance Tax)			37.56	37.59
Total	-	-	37.56	37.59

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

22. Revenue from operations

Particulars	Year ended March 31, 2019 (₹ Lakh)	Year ended March 31, 2018 (₹ Lakh)
(a) Sale of product	2,041.65	1,806.28
Finished Goods (Including Excise duty of Rs.Nil for year ended March 2019 and Rs.2.95 Lakhs for year ended March 2018)		
- Traded Goods	277.34	539.70
(b) Sale of services	272.97	309.51
(c) Sale of scrap	0.56	-
Total	2,592.51	2,655.48

23. Other Income and other gains/ (losses)

23.1 Other Income	Year ended March 31, 2019 (₹ Lakh)	Year ended March 31, 2018 (₹ Lakh)
Interest income earned on financial assets that are not designated as at fair value through profit or loss		
Bank deposits (at amortised cost	2.84	3.06
Foreign exchange gain	0.50	0.74
Others - Misc Receipts	5.92	10.78
Total	9.26	14.58

23.2 Other gains/(losses)	Year ended March 31, 2019 (₹ Lakh)	Year ended March 31, 2018 (₹ Lakh)
Gain/(loss) on disposal of property, plant and equipment	-	0.07
Net gain/(loss) arising on financial assets measured at FVTPL	(0.03)	0.15
Total	(0.03)	0.22
Total (23.1+ 23.2)	9.22	14.80

24. Cost of materials consumed

Particulars	Year ended March 31, 2019 (₹ Lakh)	Year ended March 31, 2018 (₹ Lakh)
Inventory at the beginning of the year	85.46	98.09
Add:- Purchases	1,923.20	1,892.01
Less:- Inventory at the end of the year	(167.26)	(85.46)
Cost of Raw Material & Components consumed	1,841.40	1,904.64
Purchase of traded products	63.75	152.21
Changes in inventories of finished goods, work-in-progress and stock-in-trade.	98.72	(69.48)

25. Employee benefits expense

Particulars	Year ended March 31, 2019 (₹ Lakh)	Year ended March 31, 2018 (₹ Lakh)
Salaries and Wages	213.74	256.82
Contribution to provident and other funds	6.30	9.83
Staff Welfare Expenses	5.88	8.46
Total	225.92	275.11

in ₹ lakh

26. Finance costs

	Year ended March 31, 2019 (₹ Lakh)	Year ended March 31, 2018 (₹ Lakh)
Bank Charges	3.18	1.90
Interest on bank overdrafts and loans (other than those from related parties)	0.01	0.54
Bill Discounting Charges	6.11	4.67
Exchange differences regarded as an adjustment to borrowing costs	-	-
Interest on ICD from holding company	39.90	39.90
Total	49.19	47.01

27. Depreciation and amortisation expense

Particulars	Year ended March 31, 2019 (₹ Lakh)	Year ended March 31, 2018 (₹ Lakh)
Depreciation of property, plant and equipment (Note 4	5.08	5.35
Amortisation of intangible assets (Note 5	0.28	2.24
Total depreciation and amortisation pertaining to continuing operations	5.36	7.59

28. Other expenses

Particulars	Year ended March 31, 2019 (₹ Lakh)	Year ended March 31, 2018 (₹ Lakh)
Electricity	7.81	10.71
Rent	30.28	23.75
Repairs and Maintenance -		
Others	8.65	20.51
Insurance	6.90	6.31
Selling and Sales Promotion	0.57	-
Freight, Forwarding and Delivery	92.14	67.95
Payment to Auditors (Refer details Below	4.91	4.94
Printing and Stationery	3.27	2.81
Communication cost	5.75	5.68
Travelling and Conveyance	34.61	33.16
Legal and Professional Fees	17.53	36.01
Vehicle Running Expenses	0.24	0.73
Rates and taxes, excluding taxes on income	0.60	12.22
Service Charges	97.02	158.20
Information Technology Expenses	14.80	34.53
Other Establishment Expenses	27.61	21.71
Bad Debts/Advances Written-Off	14.65	35.88
Provision for Doubtful Debts	25.88	(3.57)
Total	393.20	471.53

Payments to auditors	Year ended March 31, 2019 (₹ Lakh)	Year ended March 31, 2018 (₹ Lakh)
a) For audit	3.56	3.56
b) For taxation matters	0.53	0.40
c) For other services	0.30	0.36
d) For reimbursement of expenses	0.52	0.62
Total	4.91	4.94

29. Income taxes

29.1 Income tax recognised in profit or loss

Particulars	Year ended March 31, 2019 (₹ Lakh)	Year ended March 31, 2018 (₹ Lakh)
Current tax		
In respect of the current year	-	-
	-	-
Deferred tax		
In respect of the year	5.56	(7.17)
Total income tax expense recognised in the current year	5.56	(7.17)

29.2 Income Taxes

(a) Amounts recognised in profit and loss

Particulars	For the year ended March 31, 2019 (₹ Lakh)	For the year ended March 31, 2018 (₹ Lakh)
Current income tax	-	-
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	(5.56)	7.17
Reduction in tax rate		
Recognition of previously unrecognised tax losses		
Change in recognised deductible temporary differences		
Deferred tax	(5.56)	7.17
Tax expense for the year	(5.56)	7.17

(b) Amounts recognised in other comprehensive income

Particulars	For the year ended March 31, 2019			For the year ended March 31, 2018		
	Before tax (₹ Lakh)	Tax (expense) benefit (₹ Lakh)	Net of tax (₹ Lakh)	Before tax (₹ Lakh)	Tax (expense) benefit (₹ Lakh)	Net of tax (₹ Lakh)
Items that will not be reclassified to profit or loss						
Changes in revaluation surplus			-			-
Remeasurements of the defined benefit plans	1.96	0.51	2.47	2.91	0.90	2.01
	1.96	0.51	2.47	2.91	0.90	2.01

(c) Reconciliation of effective tax rate

Particulars	For the year ended March 31, 2019 (₹ Lakh)	For the year ended March 31, 2018 (₹ Lakh)
Profit/ (Loss) before tax	(75.81)	(121.28)
Revised Profit before tax	(75.81)	(121.28)
Tax using the Company's domestic tax rate (Current year 26% and Previous Year Nil)	-	-
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:	5.56	(7.17)
	5.56	(7.17)

Effective tax rate

The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority

Significant management judgement is required in determing the provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income by each jurisdiction in which the relevant entity operates and the period over which the deferred income tax assets will be recovered.

Owing to losses in the current year, no provision for current tax has been made. Further, unrecognaised deferred tax on tax losses and unabsorbed depreciation is Rs. 38.06 Lakh (PY: Rs.30.90 Lakh). (Expiry date 31-03-2027)

Notes to the financial statements

Note 30 : Earnings per share (EPS)
Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

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

i. Profit attributable to Equity holders

	March 31, 2019	March 31, 2018
	(₹ Lakh)	(₹ Lakh)
Profit attributable to equity holders	(69.55)	(132.91)
Profit attributable to equity holders for basic earnings	(69.55)	(132.91)

ii. Weighted average number of ordinary shares

	March 31, 2019	March 31, 2018
	Nos. (in Lakh)	Nos. (in Lakh)
Issued ordinary shares at April 1	28.27	28.27
Effect of shares issued during the year	-	-
Weighted average number of shares at March 31 for basic EPS	28.27	28.27
Effect of dilution:	-	-
Weighted average number of shares at March 31 for EPS after dilution	28.27	28.27

Basic and Diluted earnings per share

	March 31, 2019	March 31, 2018
Basic earnings per share in Rs.	(2.46)	(4.70)
Diluted earnings per share in Rs.	(2.46)	(4.70)

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

31. Employee benefit plans

31.1 Defined contribution plans

The Company operates defined contribution retirement plans for all qualifying employees of its Company. The assets of the plans are held with central government. Where employees leave the plans prior to full vesting of the contributions, the contributions payable by the Company are reduced by the amount of forfeited contributions.

	Year ended March 31, 2019	Year ended March 31, 2018
Amount recognised as expense and included in note 25 as contribution to provident and other funds	6.30 lakh	9.83 lakh

31.2 Defined benefit plans

The Company has a defined benefit gratuity scheme for employees who have completed minimum 5 years of service. The scheme is funded with Life Insurance Corporation (LIC).

Investment risk	The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. For other defined benefit plans, the discount rate is determined by reference to market yields at the end of the reporting period on high quality corporate bonds when there is a deep market for such bonds; if the return on plan asset is below this rate, it will create a plan deficit. Currently the plan has a relatively balanced investment in XX. Due to the long-term nature of the plan liabilities, the board of the Fund considers it appropriate that a reasonable portion of the plan assets should be invested in equity securities and in real estate to leverage the return generated by the Fund.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The risk relating to benefits to be paid to the dependents of plan members (widow and orphan benefits) is not funded.

No other post-retirement benefits are provided to these employees

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at March 31, 2019 by an independent actuary. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

The principal assumptions used for the purposes of the actuarial valuations were as follows

Particulars	Valuation as at Year ended March 31, 2019	Valuation as at Year ended March 31, 2018
Discount rate(s)	7.64%	7.80%
Expected rate(s) of salary increase	5.00%	5.00%
Mortality rates*	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Employee turnover	10%	10%

* Based on India's standard mortality table with modification to reflect expected changes in mortality

Amounts recognised in statement of profit and loss in respect of these defined benefit plans are as follows

(₹ Lakh)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Service cost:		
Current service cost	1.60	1.86
Past service cost and (gain)/loss from settlements	-	-
Net interest expense	(0.21)	(0.11)
Components of defined benefit costs recognised in profit or loss	1.39	1.75
Remeasurement on the net defined benefit liability		
Return on plan assets (excluding amounts included in net interest expense)	(0.88)	(0.30)
Actuarial (gains) / losses arising from changes in demographic assumptions	-	-
Actuarial (gains) / losses arising from changes in financial assumptions	0.10	(0.46)
Actuarial (gains) / losses arising from experience adjustments	(1.18)	(2.42)
Others		
Components of defined benefit costs recognised in other comprehensive income	(1.96)	(3.18)
Total	(0.57)	(1.43)

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the statement of profit and loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follow

Particulars	As at March 31, 2019	As at March 31, 2018
Present value of funded defined benefit obligation	(14.68)	(13.14)
Fair value of plan assets	17.98	15.86
Funded status	3.30	2.72
Restrictions on asset recognised		
Others		
Net Asset arising from defined benefit obligation	3.30	2.72

Movements in the present value of the defined benefit obligation are as follows.

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Opening defined benefit obligation	13.14	13.19
Current service cost	1.60	1.86
Interest cost	1.02	0.95
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in demographic assumptions	-	-
Actuarial gains and losses arising from changes in financial assumptions	0.10	(0.46)
Actuarial gains and losses arising from experience adjustments	(1.18)	(2.42)
Liability transferred in / acquisition	-	-
Past service cost, including losses/(gains) on curtailments		
Liabilities extinguished on settlements		
Benefits paid	-	-
Closing defined benefit obligation	14.68	13.14

(₹ Lakh)

Movements in the fair value of the plan assets are as follows.

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Opening fair value of plan assets	15.86	14.76
Interest income	1.24	1.07
Remeasurement gain (loss)	-	-
Return on plan assets (excluding amounts included in net interest expense)	0.88	0.03
Others [describe]	-	-
Contributions from the employer		
Contributions from plan participants	-	-
Assets distributed on settlements	-	-
Assets transferred in / acquisitions	-	-
The effects of changes in Foreign Exchange Rates	-	-
Benefits paid	-	-
Closing fair value of plan assets	17.98	15.86

Expenses Recognised in the Statement of Profit or Loss for Current Period

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Current Service Cost	1.60	1.86
Net Interest Cost	(0.21)	(0.11)
Acturial (Gain)/ Losses		
Expenses Recognised in the Statement of Profit or Loss	1.39	1.75

Expenses Recognised in other comprehensive Income (OCI) for Current Period

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Acturial (Gains)/ losses on Obligation for the period	(1.08)	(2.88)
Return on Plan Assets, excluding interest income	(0.88)	(0.03)
Change in asset ceiling		
Net (income) / expense for the period recognised in OCI	(1.96)	(2.91)

Balance Sheet Reconcilation

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Opening Net Liability	(2.73)	(1.57)
Expense Recognised in Statement of Profit or Loss	1.39	1.75
Expense Recognised in other comprehensive income	(1.96)	(2.91)
Net Liability /(Asset) Transfer In	-	-
Net Liability /(Asset) Transfer Out	-	-
(Benefit paid Directly by the Employer)	-	-
(Employer's Contribution)	-	-
Net Liability /(Asset) Recognised in the Balance Sheet	(3.30)	(2.73)

Sensitivity Analysis

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Presented benefit obligation on current assumptions	14.68	13.14
Discount rate (1% increase)	(0.57)	(0.72)
Discount rate (1% decrease)	0.64	0.81
Future salary growth (1% increase	0.65	0.83
Future salary growth (1% decrease)	(0.59)	(0.75)
Attrition movement (1% increase	0.12	0.14
Attrition movement (1% decrease	(0.13)	(0.16)

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

32. Related party transaction

(I) Name of related Party and nature of relationship where control exists are as under :

A Enterprises having more than one half of Voting Powers -
Shapoorji Pallonji and Company Pvt. Ltd. - Ultimate Holding Company
Eureka Forbes Limited Holding Company

B Enterprises under Common Control -(where there are transactions)
Forbes Technosys Limited
Afcon Insfrastructure Ltd
Sterling and Wilson Ltd
Eureka Forbes Institute of Environment

C Enterprises under Common Control -(where there are transactions)
Joyville Shapoorji Housing Pvt Ltd

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

Nature of Transactions	A				B								C	
	Eureka Forbes Limited		Shapoorji Pallonji and Company Pvt.Ltd		Forbes Technosys Limited.		Afcon Infrastructure Ltd.		Sterling & Wilson Pvt. Ltd.		Eureka Forbes Institute of Environment		Joyville Shapoorji Housing Pvt. Ltd	
	(₹ Lakh)	(₹ Lakh)	(₹ Lakh)	(₹ Lakh)	(₹ Lakh)	(₹ Lakh)	(₹ Lakh)	(₹ Lakh)	(₹ Lakh)	(₹ Lakh)	(₹ Lakh)	(₹ Lakh)	(₹ Lakh)	(₹ Lakh)
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Purchases														
Goods and Materials	22.55	7.37	-	-	-	-	-	-	-	-	-	-	-	-
Services Rendered		6.69		-	-	-	-	-	-	-	-	-	-	-
Fixed Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	22.55	14.06	-	-	-	-	-	-	-	-	-	-	-	-
Sales														
Goods and Materials	1,494.17	1,408.03	52.56	80.71	-	1.05	1.05	*39.22*	-	0.55	9.09	69.68	0.29	0.88
Services Rendered	156.37	235.42	2.95	-	-	-	-		-	-	10.84	1.46	-	-
Fixed Assets	-		-											
	1,650.54	1,643.45	55.51	80.71	-	1.05	1.05	39.22	-	0.55	19.93	71.14	0.29	0.88
Expenses														
Rent and other services	7.74	0.52	0.89	2.90		-	-	-	-	-	-		-	-
Repairs & Other Exp	-	-	-											
Finance Charges	-	-	-											
Interest on ICD Taken	39.90	39.90	-				-	-	-	-	-		-	-
	47.64	40.42	0.89	2.90	-	-	-	-	-	-	-	-	-	-
Inter-corporate deposits taken	350.00	350.00	-		-	-	-	-	-	-	-	-	-	-
	350.00	350.00	-	-	-	-	-	-	-	-	-	-	-	-
Outstanding														
Trade Payables	-		-											
Trade Receivables	409.86	402.52	55.85	44.29	-	0.12	1.21	*15.11*	*0.12*	*0.20*	10.96	26.13	-	0.01
Other Deposits	0.10	0.10												

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

33 Lease Classification
The company has taken commercial premises under cancelable operating lease. Lease rental expenses included in the statement of profit and loss for the year is Rs.30.28 lakh (Previous Year Rs. 23.75 lakh). None of the lease agreement entered into by the Company contain a clause on contingent rent. The agreements contain esclation clause, however there are no terms for purchase option or any restriction such as those concerning dividend and additional debt

34 Contingent liabilities

	Particulars	As at 31 March 2019	As at 31 March 2018
		(₹ Lakh)	(₹ Lakh)
	Claim against the company not acknowledged as debt		
1	Income tax matters (see note (i) and (ii) below)	3.31	3.31
2	Sales Tax Matters F.Y.2002-2003 and 2004-05	11.06	11.06
3	Bank Guarantees	29.87	8.00
4	Capital Commitments	-	-

Notes

(i) The amount considered under the contingent liability is the amount adjusted as income tax payable against the pending refunds. The company has not accepted the charge adjusted by the income tax department u/s 145 of income tax and have filed a response towards the non acceptance of the charge and claim for the refund. the period for which the claim raised is AY 2006-07, 2007-08, 2009-10 and 2010-11

(ii) The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.

35 Segment reporting
The Company was set up with the objective of manufacturing water treatment products. This is the only activity performed and is thus also the main source of risks and returns. Accordingly, the Company has a single reportable segment. Further, as the Company does not operate in more than one geographical segment, hence the relevant disclosures as per Ind AS 108 are not applicable to the company. One customer (related party) accounts for more than 10% of the total revenue of the company.

36 The company has incurred a net comprehensive loss of Rs.67.59 Lakhs during the current year,and the current liabilites exceeded the current assets by Rs.245 Lakhs and have eroded 76.92% of the net worth at March 31, 2019. However,at March 31,2019 ,the company has positive networth. Based on the continued operational and financial support from parent company ,the financial statements have been prepared on a going concern basis.

Notes to the financial statements

37. Financial instruments – Fair values and risk management

(₹ Lakh)

A. Accounting classification and fair values

	March 31, 2019			March 31, 2018		
	FVTPL	FVTOCI	Amotised Cost	FVTPL	FVTOCI	Amotised Cost
Financial assets						
Cash and cash equivalents	-	-	79.03	-	-	40.91
Other bank balances	-	-	16.86	-	-	30.78
Long-term loans and advances	-	-	-	-	-	-
Short-term loans and advances	-	-	-	-	-	-
Trade and other receivables	-	-	783.20	-	-	778.44
Current Investments	1.88	-		1.91	-	-
Non Current Investments	-	-	-	-	-	-
Other Current financial Asset	-	-	0.94	-	-	1.20
Other Non Current financial Asset	-	-	36.47	-	-	20.60
				-	-	
Total Financial Asset	1.88	-	916.50	1.91	-	871.93
Financial liabilities				-	-	
Trade and other payables	-	-	783.73	-	-	745.29
Other Current financial liabilities	-	-	26.58	-	-	49.26
Other Non Current financial liabilities	-	-	-	-	-	-
Current Borrowings	-	-	448.24	-	-	436.71
Non Current Borrowings	-	-	-	-	-	-
	-	-	-	-	-	
Total Financial Liabilities	-	-	1,258.55	-	-	1,231.26

Fair value Hierarchy

This section explains the judgement and the estimates made in determiningg the fair values of the financial instuments that are (a) recognised and measured at fair value and(b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

in ₹ lakh

		March 2019				March 2018			
Assets and Liabilities which are measured at amortised cost for which fair values are disclosed	Notes	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets									
Long-term loans and advances		-	-	-	-	-	-	-	-
Short-term loans and advances		-	-	-	-	-	-	-	-
Trade and other receivables		-	-	-	-	-	-	-	-
Current Investments		1.88	-	-	1.88	1.91	-	-	1.91
Non Current Investments		-	-	-	-	-	-	-	-
Other Current financial Asset		-	-	-	-	-	-	-	-
Other Non Current financial Asset		-	-	-	-	-	-	-	-
Total Financial Asset		1.88	-	-	1.88	1.91	-	-	1.91
Financial liabilities									
Trade and other payables		-	-	-	-	-	-	-	-
Other Current financial liabilities		-	-	-	-	-	-	-	-
Other Non Current financial liabilities		-	-	-	-	-	-	-	-
Current Borrowings		-	-	-	-	-	-	-	-
Non Current Borrowings		-	-	-	-	-	-	-	-
Total Financial Liabilities		-	-	-	-	-	-	-	-

Level 1 : Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (inlcuding bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2 : The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivates) is determined using valuation techniques which maximise the use ofobservable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3 : If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

Valuation techniques and significant unobservable inputs

Specific valuation techniques used to value financial instruments include

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curve
- the fair value of forward foreign excahnge contracts and principal swap is determined using forward exchange rates at the balance sheet date
- the fair value of foreign currency option contracts is determined using the Black Scholes valuation model
- the fair value of the remaining financial instruments is determined using the discounted cash flow analysis

All of the resulting fair value estimates are included in level 2 except for unlisted equity securities, contingent consideration and indemnification asset, where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

C. Financial risk management

The Company has exposure to the following risks arising from financial instruments

- Credit risk ;
- Liquidity risk ; and
- Market risk

i. Risk management framework

The Company's board of directors has

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

The board oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The board is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the board.

37. Financial instruments – Fair values and risk management (contd)
B. Measurement of fair values

C. Financial risk management
The Company has exposure to the following risks arising from financial instruments:
▪ Credit risk ;
▪ Liquidity risk ; and
▪ Market risk

i. Risk management framework
The Company’s board of directors has overall responsibility for the establishment and oversight of the Company’s risk management framewo
The Company’s risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company’s activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The board oversees how management monitors compliance with the company’s risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The board is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the board.

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securitie

The carrying amount of following financial assets represents the maximum credit exposur

Particulars	As at 31 March 2019	As at 31 March 2018
	(₹ Lakh)	(₹ Lakh)
Trade receivables	783.20	778.44
Cash and cash equivalents	79.03	40.91
Other bank balances	16.86	30.78
Loans	-	-
Other financial assets	37.41	21.80

Trade and other receivables

The Company’s exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company’s standard payment and delivery terms and conditions are offered. The Company’s review includes external ratings, if they are available, and in some cases bank references. Sale limits are established for each customer and reviewed quarterly. Any sales exceeding those limits require approval from the board.

The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables.

At March 31, 2019, the maximum exposure to credit risk for trade and other receivables by geographic region was as follov

	March 31, 2019	March 31, 2018
	(₹ Lakh)	(₹ Lakh)
India	783.20	778.44
Other regions	-	-
	783.20	778.44

At March 31, 2019, the maximum exposure to credit risk for trade and other receivables by type of counterparty was as follov

	March 31, 2019 (₹ Lakh)	March 31, 2018 (₹ Lakh)
Construction	166.38	143.49
Education	28.31	1.70
Hospital	0.37	1.48
Hotel	0.24	3.29
Manufacturing	24.56	7.23
Trading Company (includes related party	422.04	402.52
Others	141.30	218.73
Total	783.20	778.44

At March 31, 2019, the Company's most significant customer other than the related party, a construction company, accounted for INR 166.38 lakh of the trade and other receivables carrying amount (March 31, 2018 : INR 143.49 lakh).

37. Financial instruments – Fair values and risk management (contd)

Impairment
At March 31, 2019, the ageing of trade and other receivables that was as follows:

	March 31, 2019	March 31, 2018
	(₹ Lakh)	(₹ Lakh)
Not due	503.45	454.83
0-30 days	38.91	147.48
31-60 days	62.17	11.13
61-90 days	53.95	15.59
91-180 days	17.45	64.33
181-365 days	26.39	42.13
365 days and above	80.88	42.95
	783.20	778.44

Management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on
An analysis of the credit quality of trade and other receivables that are neither past due nor impaired is as follows.

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows.

	Collective impairments (₹ Lakh)
Balance as at April 1, 2017	80.68
Impairment loss recognised	-
Amounts written off	3.57
Balance as at March 31, 2018	77.11
Impairment loss recognised	37.04
Amounts written off	11.16
Balance as at March 31, 2019	102.99

At March 31, 2019, there was an impairment loss of INR 102.99 lakh related to a several customers where the company is doubtful of recovery. The Company believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit ratings if they are available.

Cash and cash equivalents
The Company held cash and cash equivalents of INR 79.03 lakh/- at March 31, 2019 (March 31, 2018: INR 40.91 lakh).

Derivatives
The derivatives are entered into with bank and financial institution counterparties, which are rated AA- to AA+, based on

37. Financial instruments – Fair values and risk management (contd)

iii. Liquidity risk

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

The Company maintains the following lines of credit.
INR 1 lakh overdraft facility with IDBI Bank Ltd. that is secured against Fixed Deposit. Interest would be payable at the rate of 9.5%p.a (March 31, 2018: 11% p.a).
In addition, the Company maintains the following lines of credit.
INR 300 lakh Working Capital facility with Kotak Mahindra Bank Limited that is secured by floting charge on book debts .Interest would be payable at the rate of 9.5% pa

Exposure to liquidity risk

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

March 31, 2019		Contractual cash flows				
	Carrying amount	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
	(₹ Lakh)	(₹ Lakh)	(₹ Lakh)	(₹ Lakh)	(₹ Lakh)	(₹ Lakh)
Non-derivative financial liabilities						
Borrowings	448.24	448.24	448.24	-	-	-
Trade and other payables	783.73	783.73	783.73	-	-	-
Other financial liabilities	26.58	26.58	26.58	-	-	-

March 31, 2018		Contractual cash flows				
	Carrying amount	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
	(₹ Lakh)	(₹ Lakh)	(₹ Lakh)	(₹ Lakh)	(₹ Lakh)	(₹ Lakh)
Non-derivative financial liabilities						
Borrowings	436.71	436.71	436.71	-	-	-
Trade and other payables	745.29	745.29	745.29	-	-	-
Other financial liabilities	49.26	49.26	49.26	-	-	-

37. Financial instruments – Fair values and risk management (contd)

iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments.Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. We are exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of our investments. Thus, our exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

Currency risk

The Company is not exposed to currency risk on account of payables in foreign currency. The functional currency of the Company is Indian Rupee.

The Company does not use derivative financial instruments for trading or speculative purposes.

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at March 31, 2019 and March 31, 2018 are as below:

	March 31, 2019 USD	March 31, 2019 GBP	March 31, 2018 USD	March 31, 2018 GBP
Financial assets				
Short-term loans and advances	-	-	-	-
	-	-	-	-

The following significant exchange rates have been applied during the year.

	Average rate		Year-end spot	
INR	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
USD /INR	-	-	-	-
GBP/INR	-	-	-	-

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against US dollars at March 31 would have affected the measurement of financial instruments denominated in US dollars and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Profit or loss		Equity, net of tax	
Effect in INR	Strengthening	Weakening	Strengthening	Weakening
March 31, 2019				
USD 5% movement	-	-	-	-
GBP 10% movement	-	-	-	-
	-	-	-	-

	Profit or loss		Equity, net of tax	
Effect in INR	Strengthening	Weakening	Strengthening	Weakening
March 31, 2018				
USD 5% movement	-	-	-	-
GBP 10% movement	-	-	-	-
	-	-	-	-

37. Financial instruments – Fair values and risk management (contd)

v. Interest risk

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

	As at 31 March 2019	As at 31 March 2018
	(₹ Lakh)	(₹ Lakh)
Fixed rate instruments		
Financial assets		
Deposits with banks	44.15	34.82
Financial Liabilities		
Intercorporate deposit from related parties	350.00	350.00
	350.00	350.00
Variable-rate instruments		
Financial liabilities		
Overdraft against fixed deposit	-	-
Bill discounting	98.24	86.71
	98.24	86.71

Cash flow sensitivity analysis for variable-rate instruments

An increase of 50 basis points in interest rates at the reporting date would have decreased gain as at year end by the amounts shown below. This analysis assumes that all other variables remain constant.

Particulars	Profit or loss
	(₹ Lakh)
31 March 2019	
Variable-rate instruments	0.49
Cash flow senstivity	0.49
31 March 2018	
Variable-rate instruments	0.43
Cash flow senstivity	0.43

A decrease of 50 basis points in the interest rates at the reporting date would have had equal but opposite effect on the amounts shown above, on the basis that all other variable remain constant.

37. Financial instruments – Fair values and risk management (contd)

(vi) Price Risk

(a) Exposure

The Company's exposure to mutual fund price risk arises from investment held by the company and classified in the balance sheet as fair value through profit or loss.

(b) Sensitivity

The table below summarises the impact of increases/decreases of the NAV on the company's equity and profit for the period. The analysis is based on the assumption that the NAV is linked to BSE Sensex movement which had increased or decreased by 10% (2018-15%) with all other variables held constant.

	Impact on profit after tax		Impact on other components of equity	
	31-Mar-19 (₹ Lakh)	31-Mar-18 (₹ Lakh)	31-Mar-19 (₹ Lakh)	31-Mar-18 (₹ Lakh)
Increase in NAV by 10%(2018 - 15%)	0.19	0.29	-	-
Decrease in NAV by 10%(2018 - 15%)	(0.19)	(0.29)	-	-

Profit for the period would increase/decrease as a result of gains/losses on NAV of mutual fund securities classified as at fair value through profit or loss.

As per our report of even date
For BATLIBOI & PUROHIT
Chartered Accountants
Firm Regn No.101048W

Vikram Surendran — Director

R.S.Moorthy — Director

ATUL MEHTA
Partner
Membership No.15935

Ashu Khanna — Director

Mumbai, Dated 06th May, 2019

FINANCIAL INDEBTEDNESS

Our company has availed loans in the ordinary course of business for the purpose of, inter alia, purchase / import of raw materials, packing material, and meeting working capital requirements. Set forth below is a brief summary of our aggregate borrowings of our Company as of February 13, 2022 on a consolidated basis:

Category of Borrowings	Sanctioned Amount (₹ in lakhs)	Outstanding amount (₹ in lakhs) as on February 13, 2022
Working Capital Facilities - Fund Based and Non-Fund Based *	26,082.52	18,749.94
Secured Term Loans	10,000.00	7,500.00
Unsecured Term Loans	2,000.00	1,483.28
Total Financial Indebtedness	**38,082.52**	**27,733.22**

** Working Capital Facilities typically include sub-limits for other facilities like Letter of Credit, Buyers Credit, Overdraft facility, Cash credit, Bank Guarantees, including others*

STATEMENT OF ACCOUNTING RATIOS

The following tables present certain accounting and other ratios derived from our Company's audited financial statements as at and for the year ended included in the "Financial Statements" on page 88 of the Information Memorandum.

(Amount in ₹ lakhs except No of Shares)

Particulars	Period ended November 30, 2021 *	Year ended March 31, 2021 *
Net Worth (A)	(184.02)	13.86
Earnings Attributable before other comprehensive income attributable to Equity Share Holders (B)	(200.18)	(163.05)
Number of outstanding Equity shares for basic and diluted EPS including share suspense account (C)	48,27,263	48,27,263
Earnings Per Share (EPS) (Face value of ₹ 10/- Each)		
Basic & Diluted (B/C)	(4.15)	(3.38)
Return on Net Worth (%) (B/A)	NA	NA
Net Assets Value per share of ₹ 10/- each (A/C)	(3.81)	0.29

* Before effectiveness of the Scheme

Note:

1. Earnings Per Share (₹) = Earnings before other comprehensive income attributable to Equity Share Holders / No. of outstanding Equity Shares for basic and diluted EPS including share suspense account
2. Return on Net Worth (%) = Earnings before other comprehensive income attributable to Equity Share Holders / Net Worth
3. Net Asset Value (₹) = Net Worth / Number of outstanding Equity shares including share suspense account

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Except as described below, there are no material outstanding litigations, suits or criminal or civil prosecutions, proceedings or tax liabilities against our Company (in the name of our Company and / or entities which were acquired by our Company), our Directors and our Promoter and there are no defaults, non-payment or overdue of statutory dues, institutional / bank dues and dues payable to holders of any debentures, bonds and fixed deposits, other unclaimed liabilities against our Company or Directors or Promoter. Further, no disciplinary action has been taken by SEBI or any stock exchanges against our Company (including for demerged undertaking), our Directors and our Promoter and Group Companies.

Except as stated under there are no:

- litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against the Promoter of our Company during the last five years immediately preceding the date of the Information Memorandum and no direction has been issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action.
- pending litigation involving our Company, Promoter, Directors or any other person, whose outcome could have material adverse effect on the position of our Company
- pending proceedings initiated against our Company for economic offences
- defaults and non-payment of statutory dues etc. by our Company.

The Company has considered outstanding litigations above Rs. 186.81 lakhs, i.e. 1% of the indicative post net worth of the Company.

Summary of Litigations:

Particulars	Against the Company		By the Company	
	No. of cases	Claim (Rs.)	No. of cases	Claim (Rs.)
Arbitration & Mediation	-	-	9	6,09,57,121
Insolvency & Bankruptcy Code	-	-	1	74,92,216
Consumer Protection Act	260	4,86,79,828	-	-
Labour laws	23	2,45,55,095	2	2,14,760
Motor Vehicle Act	5	1,25,03,991	-	-
Negotiable Instrument Act	-	-	52	2,48,86,599
Intellectual Property Rights	4	-	2	2,50,00,000
Criminal Defamation	-	-	1	50,00,00,000
Other Criminal Complaints	-	-	19	5,23,34,000
Other Civil Cases	11	6,95,000	20	6,80,40,491
Grand Total	**303**	**8,64,33,914**	**106**	**73,89,25,187**

A. Criminal Litigations:

Filed by our Company:

Criminal complaints				
1	FIR No.420 of 2018 lodged before the Kasba Police Station	erstwhile EFL vs Abhijit Sarkar and Ors.	The Company filed the complaint for wrongful financial loss caused against Mr. Abhijeet Sarkar (ex-employee) and his accomplices who involved in criminal conspiracy, criminal breach of trust,	3,29,00,000/-

	and the matter is before Addl. Chief Judicial Magistrate, Alipore, 24 PGS (South), Kolkata	cheating, financial misappropriation and forgery. An FIR was lodged and charge-sheet has also been submitted in the Court by the concerned Investigation officer.	

Filed against our Company: Nil

B. Civil Litigations:

Filed by our Company:

Sr. No.	Forum and type of matter	Petitioners/ Complainant/ Applicant Defendant/ Respondent	Brief Description and Issue	Claim Amount (INR)
Arbitration & Mediation				
1	F.M.A.T No. 582 of 2020 CAN 1 of 2021 before Hon'ble High Court of Calcutta	EFL Vs Union of India (South Eastern Railway)	The dispute arises between the erstwhile EFL and South Eastern Railway (SER) pertaining to a contract for exterior and interior mechanized coach cleaning of 422 coach per day at coaching depot of Santragachi Railway station, West Bengal, wherein the concerns were arbitrary imposing of stiff penalty clauses, non-co-operation on the part of SER authority in controlling the unruly labourers led to an untimely termination of the said contract by SER against which the company approached to Arbitral Tribunal for Arbitration proceedings. The Hon'ble Arbitral Tribunal (AT) was pleased to declare Arbitral Award of Rs. 3,78,83,771/- in favour of the erstwhile EFL against which SER filed an application under section 34 of the Arbitration & Concilliation Act, 1996 in which the Hon'ble Commercial Court set aside the Arbitral Award declared by the Hon'ble AT. In consequence thereof the company filed an appeal under section of 37 of Arbitration & Concilliation Act, 1996 before the Hon'ble High Court at Calcutta. The said appeal is pending for admission.	5,33,53,173/-
Intellectual Property Rights				
2	CS(COMM) 226 of 2021 filed before the Delhi High Court I.A./6428/2021	Erstwhile EFL Vs National Internet Exchange of India and Ors. ("**Defendants**")	EFL has filed the said suit against the Defendants *inter alia* in relation to infringement of EFL's corporate name 'Eureka Forbes' and registered trademarks/copyrights of EFL, i.e. 'Aquaguard', 'Dr. Aquaguard', 'Forbes', 'AquaSure' and 'Aeroguard'. The court vide	2,00,00,000/-

	I.A./6429/2021 I.A./6430/2021 I.A./8283/2021		order dated 17 May 2021 has passed an exparte interim injunction *inter alia* restraining Defendant Nos. 3 to 13 from using/displaying in any manner, the aforementioned corporate name and the registered trademarks/copyrights of EFL. The next date of hearing is on 24.03.2022.	
3	CC(COMM) No.779 of 2018 filed before the Delhi High Court.	1. Erstwhile EFL vs 1. Mr. Vahid Ali 2. Eurofobes Marketing Private Limited 3. Euroforbes Water Tech Private Limited 4. & others (“**Defendants**”)	EFL has filed this suit against the Defendants *inter alia* in relation to infringement of EFL’s corporate name ‘Euro’, ‘Forbes’ and registered trademarks/copyrights deceptively similar to EFL, i.e. ‘Euroforbes’. The defendants carrying the business which are similar to EFL, adopting the same module and products identical to the products sold by the Company, having similar design, colour scheme and names. The Defendants were engaged in causing loss to the reputation and goodwill of the Company’s by using its brand name, trademarks, web address, thereby confusing and misleading the customers to believe that the Defendants’ trade relates to the Company or have some nexus with the Company. Hence the Company has filed the present suit for (a) permanent injunction restraining Defendants from, in any manner, initiating and/or continuing usage and passing off any mark /logo/deceptively similar web address and products of erstwhile Eureka Forbes Limited which caused loss of business, reputation, goodwill to the Company. An ex-parte order dated 11 April 2018 was passed wherein ad-interim injunction was granted in favour of the Company thereby restraining Defendants from continuing the usage of deceptively similar words. Logos, and brands of the Company and the websites. However, in spite of the ex-parte order, the Company found that the Defendants were using the aforementioned names and website and carrying on their business by accepting various orders. Hence, the Company has filed Contempt Petition against the defendant on the ground that the Defendants have disobeyed/ breached the ex-parte interim injunction order. The next date of hearing is 08.04.2022.	2,30,00,000/-
Criminal Defamation				

4	CS CCC 1381/ 2019 filed before the City Civil Court, Ahmedabad	EFL vs Ankur Dashrathbhai Rana ("**Defendant**")	The Company has filed the suit against the Defendant, who was an ex-employee of one of the Company's contractor. Upon his termination, the Defendant opened another company and on failure to get a contract from the Company, he started defaming the Company on social media, through emails and other online forum. As a result, the Company had to face loss of goodwill, harassment and monetary loss of business. Accordingly, the Company has filed the Suit claiming damages and restraining injunction against the Defendant from further defaming the Company, for claiming damages for publicly defaming the Company on the public platform/ social media. The next date of hearing is 10.03.2022	50,00,00,000

Filed against our Company: Nil

C. Labour related cases: Nil

D. Outstanding Tax Litigation against company:

Sr. No.	Nature of Contingent Liability	No. of Litigation	Amount in INR
1	Sales Tax	64	37,16,13,575
2	Service Tax	7	19,45,67,796
3	Direct Income Tax	7	16,49,22,306
4	Excise Duty	14	14,42,81,368
5	Goods and Service Tax	9	4,86,33,228
	Total	**101**	**92,40,18,273**

E. Outstanding Litigations by / or against our Group Companies which has a material impact on our Company: Nil

F. Outstanding Litigations by / or against our Directors: Nil

G. Outstanding Tax Litigations against Subsidiary companies:

Sr. No.	Nature of Contingent Liability	No of Litigation	Amount in INR
1	Sales Tax	7	73,73,245
2	Direct Income Tax	4	3,33,46,830
3	Excise Duty	1	1,08,27,625
	Total	**12**	**5,15,47,700**

H. Details of Outstanding Litigations by / or against our Promoter and Promoter Group:

There are no outstanding litigations by/against the Promoter Group Company.

The outstanding litigations considered for the Promoter is above Rs. 2,500 lakhs, i.e. 1% of the net worth of the Promoter Company as per the latest Audited Balance Sheet.

(A) Summary of Litigations:

Division of Shapoorji Pallonji And Company Pvt Ltd. (SPCPL)	Description	Claim Amount	Counter Claim Amount	No. of cases
Shapoorji Pallonji Engineering & Construction (E&C) division And Corporate	Arbitrations Initiated by SPCPL	INR 1692 Cr.	INR 1366.18 Cr.	16
	Arbitrations Initiated against SPCPL	INR 50.76 Cr.	INR 3.06 Cr.	3
	Suits and other proceedings filed by SPCPL for recovery of money	INR 78.36 Cr.		10
	Suits and other proceedings filed against SPCPL for recovery of money	INR 35.27 Cr		7
	Criminal Matters and other Misc proceedings/cases	NA		29
Shapoorji Pallonji CMG	Suits and other proceedings filed by SPCPL	INR 0.43 Cr.		
	Suits and other proceedings filed against SPCPL for recovery of money	INR 5.26 Cr.		
Shapoorji Pallonji Real Estate (RE)	Suits and other proceedings initiated against SPCPL	INR 30.71 Cr.		6
	Other Pending Matters	NA		4
Shapoorji Pallonji (EPC)	Arbitrations Initiated by SPCPL	INR 283 Cr.	INR 180 Cr	2
	International Arbitrations Initiated by SPCPL	83.1 ml. USD		1
	Arbitrations Initiated against SPCPL	INR 11 Cr.	INR 15 Cr.	1
	International Arbitrations Initiated against SPCPL	9.7 ml. USD		1

(B) Arbitration matters for SP E&C division- details

Sr. No	Project Name	Claimant	Respondent	Claim Amt (INR Cr)	Counter Claim Amt (INR Cr)	Forum	Description
1	Jawaharlal Nehru Stadium (JNS1), New Delhi	Shapoorji & Pallonji Company Private Limited (SPCPL)	Union of India (UOI)	121.34	2.33	Arbitration	Arbitration invoked by SP for recovery of amounts towards extra items & variations and other claims. Counter claim filed for recovery of excess payment, arbitral fees and administrative charges

2	Jawaharlal Nehru Stadium (JNS2), New Delhi	Union of India (UOI)	Shapoorji & Pallonji Company Private Limited (SPCPL)	38.92		Arbitration	Arbitration invoked by UOI for delay in completion of project, consequent to the report of PAC
3	Raheja-Atharva-Multi-storied Group Housing Complex of 8 Towers, Gurgaon	Shapoorji & Pallonji Company Private Limited (SPCPL)	Raheja Developers Limited (RDL)	57.69	25.33	Arbitration	• Arbitration invoked to recover dues and claims • Counter claim filed for delay, quality issues, effects etc.
4	Indure - RRVUNL Chabbra Unit 4, 2x250 mw , CHP & BOP civil works	Shapoorji & Pallonji Company Private Limited (SPCPL)	The Indure private limited	49.73		Arbitration	• Arbitration invoked for recovery of dues, claims and recovery of BG amount wrongfully encashed Indure
5	BECL (2 x 250 MW Power Plant Bhavnagar, Gujrat)	Shapoorji & Pallonji Company Private Limited (SPCPL)	Bhavnagar Electric Company Limited (BECL)	345		Addl. District Judge, Bhavnagar, Gujrat	• Execution proceedings initiated SP for recovery of award amount. •BECL has challenged the award passed by the arbitrator
6	International Cricket Stadium at Village-Gahunje, Pune	Shapoorji & Pallonji Company Private Limited (SPCPL)	Maharashtra Cricket Association (MCA)	188.19	81.5	Arbitration	• Arbitration invoked due to non payment of outstanding dues • Counter claim filed for delay and damages defect claims
7	Construction of Empress Mall & IT-2 Building at, Nagpur,Maharashtra	Shapoorji & Pallonji Company Private Limited (SPCPL)	Reward Real Estate (RRE)	66.92	135.67	Arbitration	• Arbitration invoked for recovery of outstanding dues and claims • Counter claim filed for delay and damages and defect claims
8	BTG civil and structural works at 5x270 mw Nasik power plant site, Sinnar,	Shapoorji & Pallonji Company Private Limited (SPCPL)	Sinnar India Thermal Power Limited (SITPL)	285.64	19.28	Arbitration	• Arbitration invoked for recovery of outstanding dues and claims and return of BG • Counter claim filed for recovery against free issue material, non-compliance of labour obligations, tax claims, royalty, damages

	Nasik						etd.
9	Civil and structural works for Boiler, Turbine and Generator (BTG), Amravati	Shapoorji & Pallonji Company Private Limited (SPCPL)	Rattan India and Elena Power & Infrastructure Ltd (EPIL)	21	53.09	Arbitration & NCLT	• Arbitration invoked for recovery of outstanding dues • Counter claim filed for delay and damages claims
10	High rise residential development, Pashmina waterfront , Bangalore	Shapoorji & Pallonji Company Private Limited (SPCPL)	Lily Realty Pvt Ltd (Pashmina Developer)	91.96	61.63	Arbitration	• Arbitration invoked for recovery of dues, claims, escalation, tax related issues, • Counter claim filed for incomplete work and damages • The Ld. Arbitrator by an interim award, awarded an amount of Rs. 9 Cr. in favour of SPCPL
11	Integrated Vaccine Complex, Chengalpattu,Tamilnadu	Shapoorji & Pallonji Company Private Limited (SPCPL)	HLL Bio-tech Limited	74.91	46.07	Arbitration	• Arbitration invoked for recovery of outstanding dues and claims and return of BG • Counter claim filed for delay and damages, over payment, defects, interest claims
12	Korba Power Plant, Raigarh, Chattisgarh(Main Plant Work)	Shapoorji & Pallonji Company Private Limited (SPCPL)	Korba West Power Co. Ltd. (KWPCL)	29.44	32.18	Arbitration & NCLT (by third party)	•SPCPL invoked arbitration , due to non payment of outstanding dues •NCLT proceedings initiated by third party.•NCLT-Ahmedabad passed order on 24th June'19 "not recognising SPCPL as operation creditor" Order of NCLT challanged before NCLAT
13	IISCO steel plant , Burnpur (package 48 A1)	Shapoorji & Pallonji Company Private Limited	Steel Authority of India Limited (SAIL)	189.68	NA	Arbitration	Arbitration invoked for recovery of outstanding dues , retention money along with prolongation claims and other claims

		(SPCPL)					
14	IISCO steel plant , Burnpur (package 48 B1)	Shapoorji & Pallonji Company Private Limited (SPCPL)	Steel Authority of India Limited (SAIL)	167.05	NA	Arbitration	Arbitration invoked for recovery of outstanding dues , retention money along with prolongation claim and other claims
15	Grove Towers , oshiwara			32.01		NCLT	Third party had filed NCLT petition against client. SP being one of the creditors also submitted its claim before IRP

(C) Miscellaneous Court Matters of SPCPL

S. No.	Court	Case No.	Parties	Description
1	CJM, Alipore	Complaint	Inspector of Factories WB Vs. Subodh Dixit	Complaint case filed under the provisions of BOCW Act
2	Patna High Court	WP 208/2020	JMC Projects (India) Limited Vs. State of Bihar and Ors.	SP have filed an intervention application in the writ petition filed by the Petitioner (JMC Projects) against the decision of the Technical Tender Evaluation Committee of Bihar Medical Services and Infrastructure Corporation Limited whereby the petitioner has been declared disqualified from bidding process for Government Medical College and Hospital, Begusarai
3	City Sessions Court Calcutta		SPCPL Vs. Kunal Conchem	Kunal Conchem has filed a criminal complaint for non-payment of its alleged dues
4	Orissa High Court, Cuttack	WP (C) 36794/2021	SPCPL Vs. OBCC	Orissa Bridge and Construction corporation Ltd. rejected the bid submitted by SP after declaring SP as L-1 bidder for redevelopment and extension of SBM Medical College. and Hospital, Cuttack. SP has filed the petition challenging this action of OBCC.
5	Supreme Court	SLP(C) No. 021218 / 2021	SPCPL Vs. OBCC	SPCPL has filed the SLP being aggrieved by delay in listing of WP (C) 36794/202 1 before the High Court of Orissa and for interim relief
6	Patna High Court	W P 16919/2021)	TCIL Vs. State of Bihar and Ors.	SP have been awarded a contract by Bhagalpur Smart City Ltd. Telecommunications Consultants India Limited, who are unsuccessful bidders, have challenged the award by filing a Writ Petition (bearing no. 16919/2021) in the high court of Patna. We have been made Respondent No. 7 in the Petition.

7	Gujrat High Court	Cr. Misc Appl. 14387/2018	SPCPL Vs. State of Gujrat	SPCPL has filed the petition to quash the FIR filed by the wife of the deceased
8	Esplanade Court	CC/853/SS/2016	S.P.C.L. Vs. Bhasin Infotech and Infrastructure Ltd.	Complaint u/s 138 of N.I. Act filed by SPCPL being aggrieved by dishonoured Cheques
9	Bombay High Court	Suit No. 1267/2009	M/s. Truly Creative Developers Vs. Samtanagar CHS Union	Plaintiff filed suit for Specific Performance of Contract.
10	City Civil Court, Mumbai (12th Addl. Sessions Judge)	Civil Suit 1618/2018 (NM 4014/2018)	Geeta Vasant Dabhol Vs. Gaurabai Dabhol	Suit for declaration and injuction has been filed in respect of joint rights in suit premises situated at BDD Chawl which is being redeveloped by SPCPL
11	Addl. Chief Metropolitan Magistrate. 8th Court (Esplanade Court)	Summons Case SS/0800080/2019	SPCPL Vs. Bengal Iron and ors.	SPCPL has filed criminal defamation case against Bengal Iron and ors.
12	Dindoshi Court	Suit No. 201274/2016	SPCPL Vs. PRS	SPCPL filed a suit for seting aside the fradulent consent terms between Nilesh Thakur, Chhaya Thakur and Nitish Thakur. Nilesh Thakur and Chhaya Thakur have now filed a consnt terms submitting to decree.
13	Small Causes Court	Appeal1 185/14 in RAE 734/1250/01	SPCL v/s Cricket Club Of India Ltd and others	SPCPL filed an appeal for claiming Sub-Tenancy in the property
14	Bombay High Court	PIL 43/2019	Shirish B Patel Vs. State of Maharashtra	Petitioner has fled the PIL Stating that the Environment Impact Assessment is not adequate and that only motive of MHADA is making profit and is compromising on health and safety of people.
15	Punjab and Haryana High Court	WP 28898/2019	Raj kumar Vs. State of Punjab & Anr (SPCPL is Respondent No. 5)	Plaintiff is asking for regularisation of his employment with SP. Whereas they are the employees/ contract workers of Punjab Water Supply and Sewerage Board
16	Bombay High Court	PILST/16491/2021	Aniket Satish Amberkar Vs. UOI and others	Petitioner has prayed for cancellation of the works awarded to SP (Res. 9)
17	Bombay High Court	WP(L)/17042/2021	SPCPL & Anr. Vs. State of Maharashtra and Ors	SP has filed a Writ Petition against the order passed by MCGM whereby MCGM has disqualified the bid submitted by SP & Konark JV

18	Punjab and Haryana High Court	COCP no. 1344 of 2013 in CWP No. 6827 of 2012	Sucha Singh Vs. Bhupinder Singh (Respondent No. 4 Shapoorji Pallonji & Co. Pvt. Ltd.) COCP no. 1344 of 2013 in CWP No. 6827 of 2012	The Petitioner had filed a contempt petition against Municipal Corporation, Amritsar and has impleaded Shapoorji Pallonji & Co. Pvt. Ltd. as it was engaged by Punjab Water Supply and Sewarage Board to lay sewer pipes in the Kot Mit Singh area of Amritsar.
19	Bombay High Court	Criminal Application No.785 of 2017	Shapoorji Pallonji and Company Pvt. Ltd V/s.State of Maharastra through Anti Corruption Bureau, Raigad	SPCPL has filed Criminal Application bearing No.785 of 2017 before Hon'ble High Court, Bombay for challenging the Order dated 5.1.2017 passed by the Alibaug Court in Cri. Misc. Appln. 769/2014 filed by SPCPL before Alibaug Court for return of certain properties seized by the ACB in proceedings adopted by it under the Prevention of Corruption Act ["POC Act"] against Nilesh Thakur, Nitish Thakur, Minal Thakur & Ors. [collectively "the Thakur Group"].
20	Bombay High Court	Execution Application No. of 1580 of 2016	Shapoorji Pallonji and Company Ltd V/s.PRS Enterprises and Others	SPCL has filed Execution Application in the Bombay High Court being Execution Application No. 1580 of 2015 for enforcement of the Consent Decree passed in Suit No.2576 of 2011. The said Application along with six chamber summons are pending hearing before the Hon'ble High Court.
21	Bombay High Court	Writ Petition No.494/2019	Shapoorji Pallonji and Company Pvt. Ltd V/s.The Union of India & Ors	SPCPL has filed the Writ Petition bearing No.494 of 2019 before Bombay High Court under Articles 226 and 227 of the Constitution of India thereby challenging and setting aside the said Provisional Attachment Orders, Reference Case No. R-768 of 2018 as well as challenging the provisions of PBPT Act as ultra virus as the same was made applicable retrospectively. The subject transaction was of the year 2007-2011 and therefore cannot be subjected to the attachment under PBPT Act which was amended on 01.11.2016. The said Writ Petition is pending for admission.
22	Bombay High Court	Suit 481 of 2019 [Defamation Suit]	Shapoorji Pallonji & Company Ltd and Ors V/s.Ramchandran Venkataramanan	SPCPL has filed a Suit bearing No.481 of 2019 against Mr Ramchandran Venkataramanan before the Hon'ble High Court, Bombay for seeking damages for reputational loss on account of various libellous statements recklessly made and cause to be published at the behest of the Defendant in the manner more particularly set out in the Suit.
23	Supreme Court	SLP (CR.) 3989 of 2019	Shapoorji Pallonji & Company Ltd and Ors V/s.Ramchandran Venkataramanan	SPCPL has filed the SLP against the order of Bombay High Court whereby the HC has dismissed the Criminal Complaint (for defamation) filed by SPCPL

24	Bombay High Court	W P 282 of 2018.		Writ Petition filed by Mr. Venkatramanan against the order of Sessions court whereby the order of issuing process was set aside in defamation complaint filed (against Mr. Cyrus Mistry, Mr. Pallon Mistry and others) by Mr. Venkatramanan
25	Bombay High Court	Criminal Appeal No.1051 of 2019	Directorate of Enforcement V/s. Shapoorji Pallonji & Company Ltd and Ors	Directorate of Enforcement had filed Second Appeal in the Bombay High Court [under the provisions of Section 42 of the PMLA] being Criminal Appeal No. 1051 of 2019 along with Criminal Application No. 736 of 2019 for condonation of delay. By an Order dated 29.7.2019, the Condonation Application mentioned above was allowed by the Division Bench of the Bombay High Court. The Appeal was admitted vide order dated 11.03.2020. The SPCPL had filed Special Leave Petition bearing SLP(CRL) No.3109-3110 of 2020 before the Hon'ble Supreme Court challenging the Order dated 11th March 2020 passed by the Hon'ble High Court Bombay in Criminal Appeal No.1051 of 2019. However, the SLP came to be withdrawn as recorded in the order dated 27th January 2021 passed by the Supreme Court whereby the Supreme Court also observed that the High Court may consider the preliminary objection as to maintainability of the Criminal Appeal. It is submitted that a preliminary objection would necessarily have to be heard and decided prior in time before the Appeal admitted or taken up for final hearing. In view thereof, SPCPL had filed Criminal Interim Application bearing No.724 of 2021 in Criminal Appeal No.1051 of 2019 before High Court, Bombay for recalled and / or modified and / or varied the order dated 11th March 2020 to provide for the preliminary objection to the maintainability of the Criminal Appeal recorded in the orders dated 18th December 2019 and 4th February 2020 to be heard and decided prior in time. The said Interim Application is pending for hearing.
26	MACT Alibaug	MACP M.A.N.R.J.I./40/2019	Rama Changya Lendi and 2 Ors V/s M/s. Shapoorji Pallonji & Co. Ltd., & Ors	Shri Rma Changya Lendi & Two Others has filed an Application bearing No.40 of 2019 before The Hon'ble Motor Accidents Claim Tribunal, Alibag against 1] SPCPL 2] Santosh Manohar Jambhale & 3] The New India Assurence Company Ltd, Alibaug for claim of Rs.2 lacs.

27	Bombay High Court	Spl. Dkst. No.36 of 2016	Shapoorji Pallonji & Co Pvt. Ltd., V/s. PRS Enterprises & Ors	SPCPL has filed Special Darkhast Application [Execution Application] beaing No.36 of 2016 for encoforcement of the consent decree dated 19.10.2011 passed in Suit No.2576 of 2011 filed before the Hon'ble High Court, Bombay, the assets and the properties of the Defendents within territorial juridication of the Hon'ble High Court, Bombay is not sufficeint to even realized a franction of decretal dues, therefore the decree has been transfered to Alibaug to attached and sale of the properties situated at Raigad District. Hence this Application.
28	Appellate Authority PMLA	FPA-PBPT-528/MUM/2019 Appeal in Reference No.768 of 2018	Shapoorji Pallonji & Co Pvt. Ltd. V/s. Initiating Officer, Benami Authority & Ors	The Initiating Officer passed an order under Section 24(3) of PBPT Act on 29.12.2017 attached the very same properties which were subject matter of attachment under the PMLA Act. The Initiating Officer, under PBPT Act, passed a provisional attachment order being PBPT/PA/MUM/2017-18/20 on 28.03.2018 under Section 24(4)(a)(i) of Prohibition of Benami Property Transaction Act, 1988 provisionally attaching the properties in question. A reference was made to the Adjudicating Authority under PBPT Act, 1988 being Reference No.R-768/2018 for confirmation of the attachment. 8. The SPCPL was not made a party by the Initiating Officer to the aforesaid Reference Case No.R-768/2018 despite the fact that the SPCPL would be directly affected by the attachment. Hence, the SPCPL was advised to approach the Adjudicating Authority by way of an application under Section 26(2) of the PBPT Act. An Adjudicating Authority has allowed the said Application and has made a SPCPL party in the aforesaid reference. 9. After hearing the all the parties the Adjudicating Authority vide impugned order dated 29.04.2019 has confirmed provisional attachment order. 10. The SPCPL has challenged the Order and Judgment dated 29.4.2019 passed by the Adjudicating Authority, in Reference Case No. R-768 of 2018 before Appellate Authority, New Delhi and same is pending for adjudication.
29	District and Sessions Court Saharanpur	Cr. Case 1184/2013	Haji Mohd. Tausif Vs. Cyrus P Mistry	Complaint u/s 500 of IPC (defamation) against Mr. Cyrus Mistry
30	Allahabad High Court	Cr. Misc. Appl. 9787/2019	Cyrus P Mistry Vs. State of U. P. and Ors.	Application for quashing the proceedings in the complaint for defamation filed by Mohd. Tausif, in Saharanpur Court. The High Court by its interim order has stayed further proceedings in the matter

31	Bombay High Court	PILL/14160/2021	Zoru Darayus Bhathena Vs. State of Maharashtra	There is some land dispute between State Govt. and Central Govt. in respect of a land in Kanjur. The land is required by State Govt. for their metro rail project. Mr. Mahesh Garodia is lessee of Central Govt. and is in possession of land. Mr. Garodia has entered into an MOU with SP (Res. No. 6) in respect of this land. By the instant petition the Petitioner is seeking directions for State Govt. to take physical possession of the land

(D) List of Ongoing NCLT Cases against SPCPL (E&C Division and EPC division)

Sl No	Case Number	Counter party	Date of filing	Amount claimed (INR Cr)
1	CP(IB)-2734(MB)/2019	Brilltech Engineers Pvt Ltd	29-Jun-19	1.51
2	CP(IB)-3340(MB)/2019	Siddharth Enterprises	30-Jul-19	0.12
3	CP(IB)-3739(MB)/2019	Drilltech Engineers Pvt Ltd	16-Oct-19	0.23
4	CP(IB)-4263(MB)/2019	MS Agarwal foundries Pvt Ltd	25-Oct-19	7.33
5	CP(IB)-3886(MB)/2019	KBC Infrastructures Pvt Ltd	30-Oct-19	1.55
6	CP(IB)-259(MB)/2020	Elixir Metform Pvt Ltd	07-Jan-20	17.93
7	C.P. (IB)/1249(MB)2020 .	MS Crushers	11-Sep-20	2.56
8	C.P. (IB) - 776/2021	NCL Industries	06-Jun-20	5.27
9	CP (IB)-948(MB)/2020	Bajaj Electricals Ltd	08-Jun-20	1.31
10	CP (IB)/387(MB)/2021	Agarwal Steels	15-Jan-21	1.18
11	C.P. (IB) - 714/2021	Tech Data Advanced Solutions (India) Private Limited	09-Mar-21	5.75
12	C.P. (IB) - 479/2021	Passavant Energy and Environment India Private Limited	30-Apr-21	1.45
13	C.P. (IB) - 1154/2021	HD Fire Protect Private Limited	23-Jun-21	0.18
14	C.P. (IB) - 729/2021	Nuvoco Vistas	23-Jun-21	12.46
15	C.P. (IB) - 813/2021	BSP Constructions	05-Aug-21	2.13
16	C.P. (IB) - 921/2021	Sanfield India Limited	17-Aug-21	0.28
17	C.P. (IB) - 512/2021	Sanghvi Movers	17-Feb-21	1.88
18	C.P. (IB) - 632/2021	All Cargo Logistics	08-Apr-21	2.92
19	C.P. (IB) - 1188/2021	Raj Enterprises	01-Nov-21	1.09
1	**SP EPC division** The case has been filed against ENESTEE by one of its creditors. RP appointed in the case has sought to recover the alleged balance receivables against SPCPL reflected in Enestee's books of accounts. Contract with Enestee Engineering Limited IPR has made a demand for INR 2.34 Cr. SPCPL has made a counterclaim as an operational creditor for INR 6.94 Cr. ENESTEE has gone into liquidation. SPCPL has received notice from the Resolution Professional (RP) to clear the balance receivables of INR 2.34 Cr reflected in the books of Enestee Engineering Limited. All Enestee claims are denied and SPCPL has filed a counter-claim as an operational creditor. No further communication received from the other side.			2.34

(E) Cases in arbitration for SPCPL (EPC division)

Sr. No	Nature of Case Filed by /against the RO	Person against whom case has been filed	Contract Identification	Contract value	Claim Amount	Counter Claim Amount	Latest Updates
1	M/s Shapoorji Pallonji & Company Pvt. Ltd. (SPCPL)	SAIL, Burnpur (Respondent)	EPC contract for the Coal Dust Injection Plant at Burnpur for Steel Authority of India (IISCO Steel Plant)	INR 43 cr	SPCPL Claim : INR 31 cr (excluding interest)	No official countercalim filed. However, arbitrators have required an amount of INR 27 lacs in the form of bank guarantee be maintained.	1. 1st Arbitration Panel formed in Aug 2019 The same has been terminated. 2. 2nd Arbitration Panel formed in Jan 2020. 3. Pleadings of SPCPL in terms of Statement of Claim, Rejoinder to the Statement of Defense are now complete. List of accepted and rejected documents has been filed. Issues have been framed. Witness statements of both parties recorded. Witness cross examination scehedule for 18th February, 20222.

2	M/s Shapoorji Pallonji & Company Pvt. Ltd. (SPCPL)	SAIL, Rourkela (Respondent)	EPC contract for the Ore Bending and Blending Plant for Steel Authority of India (Rourkela Steel Plant)	INR 301 cr with SAIL and INR 104 cr with HEC	SPCPL Claim: INR 252 cr (Excluding interest & GST)	INR 180 cr on consortium (HEC+SP)	1. Arbitration invoked at Indian Council of Arbitration. On 23rd Aug 2019, SPCPL has paid it's arbitration fees. SAIL is yet to pay the same. 2. Simultaneously, at the request of SAIL, RSP a neutral conciliation is also being conducted. 3. INR 22 Crs has already being paid to SPCPL as part of the settlement. SAIL, RSP to finalise the settlement amount.
3	TAJ Fabricators Pvt. Ltd	M/s Shapoorji Pallonji & Company Pvt. Ltd. (SPCPL)	Contract with TAJ Fabricators Pvt. Ltd		TAJ claim - INR 11 Cr	SPCPL counterclaim of INR 15 Crores	1. Ms. Shalini Phansalkar-Joshi appointed as sole arbitrator. SPCPL received a favourable order on maintainality of counterclaims. All pleadings are completed. Company representatives have filled evidentiary affidavits. Cross examination of witnesses (physical hearing) scheduled for 26th and 27th February.

4	M/s Shapoorji Pallonji & Company Pvt. Ltd. (SPCPL) and SPCPL, Rwanda Branch	YUMN Ltd.	EPC Contractor for peat fired power plant comprising two 35 MW generating units	USD 216,677,870	SPCPL Claim: USD 83.1 Million	Yumm still to file its Statement of Defense	1. Arbitration filed in ICC on 6 April 2021 2. Arbitration tribunal formed on 26th July 21. 3. As per ICC arbitration guidelines, we have appointed subject matter expert (FTI). 4. Statement of Claim (SOC) to be filed by 28th February, 2022.
5	Andrtiz Oy	M/s Shapoorji Pallonji & Company Pvt. Ltd. (SPCPL) and SPCPL, Rwanda Branch	EPC Contractor for peat fired power plant comprising two 35 MW generating units	USD 216,677,870	Andritz Claim USD 9,746,751.91 Million	SPCPL working on counter claim.	SPCPL is working on its defense and counterclaim. An amount of USD$271,062 has already been recovered by Andritz through the Letter of Credit.

(F) Other Pending Matters – SPCPL (Shapoorji Pallonji RE division)

Sr. No.	Court	Parties	Remarks
1	Bombay High Court	SPCPL Vs Jignesh Shah & Ors.	SPCPL is the Applicant therefore there is no claim of money against SPCPL. SPCPL is claiming admitted decretal dues, cost of construction and statutory dues paid by SPCPL on behalf of Defendant.
2	Slum Rehabilitation Authority	Behram Sudhar Committee CHS Ltd. Vs Solanki Associates & Anr.	Applicant has sought termination of SPCPL and Solanki Associates as Developers. There is no money claim.
3	Estate Officer, New India Assurance Co. Ltd.	Case Nos. 12 and 12 – A of 2003 | New India Assurance Co. Ltd. vs. SPCPL.	New India Assurance Co. Ltd. has sought from SPCPL damages with interest for unauthorized occupation of the Mayfair Garden premises from April 1, 2002 @ Rs. 4,75,950/- per month till the eviction of SPCPL and simple interest of 18% p.a. on the claim of damages.
4	SMALL		**Family Dispute**

	CAUSES AT BOMBAY RAD & E SUIT NO. 1345/2067 OF 2010		Mr. Chhitarmal Ramniwas Maloo Vs Brijmohan Ramniwas Maloo Mrs. Manjulata Brijmohan Maloo Shapoorji Pallonji & Co Ltd Others

(G) Summary of litigations under GST

Sr. No.	Amount (in INR)	Particulars	Whether amount is Ascertainable
1	38,51,72,328	The Company has carried forwarded the Tax Credit of erstwhile Tax regime in GST Regime (i.e. Transitional Tax Credit). The GST officer has disputed on the same and issued the notice. The proceedings of notice / demand is yet to be concluded	Ascertainable
2	51,04,29,225	The Company has carried forwarded the Tax Credit of erstwhile Tax regime in GST Regime (i.e. Transitional Tax Credit). The GST officer has disputed on the same and issued the notice. The proceedings of notice / demand is yet to be concluded.	Not Ascertainable
3	96,88,38,146	The Company has availed the Input Tax Credit in their GST Returns. The GST officer has issued notice on ground of mismatch of Input Tax Credit reported by the vendors of the Company and the Input Tax Credit availed by the Company. The proceedings of notice / demand is yet to be concluded.	Ascertainable
4	3,14,17,79,921	The Company has availed the Input Tax Credit in thier GST Returns. The GST officer has issued notice on ground of mismatch of Input Tax Credit reported by the vendors of the Company and the Input Tax Credit availed by the Company. The proceedings of notice / demand is yet to be concluded.	Not Ascertainable
5	1,13,19,94,155	The Company has filed the Form GSTR-1 and Form GSTR-3B (GST Returns). The GST officer has issued the notices to the Company on account of mismatch of values reported in Form GSTR-1 and Form GSTR-3B. The proceedings of notice / demand is yet to be concluded.	Not Ascertainable
6	11,20,87,595	The Directorate General of GST Intelligence has conducted the enquiry on availment of input tax credit, short / non payment GST on few transactions. The proceedings of notice / demand is yet to be concluded.	Not Ascertainable
7	4,71,41,778	Notices has been issued by GST Officers on ground of Mismatches of values reported in GST returns and excess claim of Input Tax Credit. The proceedings of notice / demand is yet to be concluded.	Ascertainable
8	52,06,88,681	Notices has been issued by GST Officers on ground of Mismatches of values reported in GST returns and excess claim of Input Tax Credit. The proceedings of notice / demand is yet to be concluded.	Not Ascertainable

9	2,86,87,032	The GST officer has blocked the Input Tax Credit of the Company on account of wrong availment of the same. The Company has furnished the clarifications / reply in relation to the same. The proceedings of notice / demand is yet to be concluded.	Not Ascertainable
10	3,69,65,59,515	The notices / demand issued by the GST officer has been adjudicated and the proceedings has been concluded. The demand of tax paid / dropped.	Ascertainable
11	14,81,05,547	The GST officer has issued the Garnishee Notice to the Company for recovery of tax amounts payable by the Company's Creditors to the Government. This is not the litigation against the Company and hence, it is not the liability of the Company	Ascertainable

(H) Details of litigations above INR 25 Crore under GST

Sr. No.	Forum and type of matter	Petitioners/ Complainant/ Applicant Defendant/ Respondent / Authority	Brief Description and Issue	Amount (INR)
1	Appeals on 28.1.2022 filed before the Appellate Authority	Company vs. GST Adjudicating Authority	The Company has availed the Input Tax Credit in their GST Returns. The GST officer has issued the notice under section 73 of CGST Act 2017 to show cause as to why the Input Tax Credit INR 64,47,99,269/- should not be disallowed on ground of mismatch of Input Tax Credit availed by the Company with Input Tax Credit reported by the Suppliers / Vendors of the Company. The said amount of Input Tax Credit is pertaining to period July 2017 to March 2018, April 2018 to March 2019 and April 2019 to September 2019. The matters were adjudicated and orders has been passed against the Company. On 28.01.2022, the Company has filed the appeals before the Appellate Authority and the same has been accepted. The appeals are yet to be heard and concluded.	64,47,99,269
2	Notice in Form ASMT-10 dated 19.02.2021 issued by the GST Authority	GST Authority	The Company has filed the GST Returns (Form GSTR-1, Form GSTR-3B etc.) for the period October 2020 to December 2020. The GST Authority has observed some discrepancies (mismatch of values reported) in the filed returns and issued notice in Form ASMT-10 for submission of clarifications under Rule 99(1) of CGST Rules 2017. The Company has submitted the reply vide letter dated 23.01.2021. The notice and reply are yet to be adjudicated / verified by the GST Authority.	43,66,60,711

3	Notice Reference No. 47120193427 dated 05.06.2020 issued by the GST Authority	GST Authority	The Company has availed the Input Tax Credit on Imported goods. The GST Authority has issued the Notice Reference No. 47120193427 and sought the details / information / documents relating to Input Tax Credit availed on imported goods under Section 70 of CGST Act 2017. On 17.07.2020, the Company has submitted the documents / information as sought by the GST Authority. The documents / information are yet to be verified by the GST Authority and till date no response received from the GST Authority in relation to said notice.	44,95,80,818

(I) SPCPL – summary of matters on indirect tax

Name of statute	Nature of dues	Period to which the amount relates	Forum where dispute is pending	Amount (net of advance) (INR)
Maharashtra VAT Act	Value Added Tax	2008-2009	Bombay High Court	2,71,39,318
Telangana VAT Act	Value Added Tax	June 2014 to June 2017	Telangana High Court	29,76,938
Central Sales Tax Act	Sales Tax	2003-04	Appellate Assistant Commissioner **	18,93,033
The Andhra Pradesh General Sales Tax Act	Sales Tax	2000-01 to 2003-04	Sales Tax Appellate Tribunal **	90,70,783
Central Sales Tax Act	Sales Tax	2007-08 to 2009-10	Madras High Court	2,90,13,344
KVAT Act, 2003	Value Added Tax	2013-14	Joint Commissioner of Commercials Taxes Appeals	5,46,924
KVAT-Kochi	Value Added Tax	2009-10 to 2010-11	KVAT Appellate Tribunal - Kochi	97,36,323
West Bengal VAT Act	Value Added Tax	2010-2011, 2014-2015 & 2015-16	West Bengal Appellate Tribunal	12,54,47,655
West Bengal VAT Act	Value Added Tax	2011-12 and 2012-13	Addl. Commissioner Appeals - Rourkela	58,79,04,846
West Bengal VAT Act	Value Added Tax	2016-17 to June 30, 2017	Addl. Commissioner Appeals- Belighat	(2,89,521)
Jharkhand VAT Act	Value Added Tax	2012-13	Addl. Commissioner Appeals- Jharkhand	10,33,391
Tamil Nadu Vat Act	Value Added Tax	2012-13 to 2014-15	Madras High Court	4,91,67,986
Kerala VAT Act	Value Added Tax	2012-13 to 2013-14	Assistant Commissioner of State Tax, Works Contract	9,08,497
Kerala VAT Act	Value Added Tax	2014-15 to 2016-17	State Tax Officer-Tvm	4,71,12,324

Central Sales Tax Act	Sales Tax	2013-14 to September 30, 2015	Addl. Commissioner Appeals	25,25,919
Finance Act	Service Tax	2005-06 to 2007-08 March 2009 to Sept 2013 April 2011 to March 2012 April 2012 to July 2014 April-2012 to - March 2013 2011-13 July 2012 to 2013-14 Oct 2013 to March 2015 2014 to 2015 2015 to 2016	CESTAT	92,53,93,880
Finance Act	Service Tax	2010-11 to 2013-14	Commissioner Appeals	2,87,07,537
Finance Act	Service Tax	2015-2016 to June 2017	Assistant Commissioner CGST & Central Excise - Nagpur	52,484
Finance Act	Service Tax	April 2005 to Dec 2008 Oct 2005 to Sept 2006 April 2007 to Sept 2007	Supreme Court	8,47,42,289
Finance Act	Service Tax	April 2011 to March 2014 (SP EPC division)	Commissioner Service Tax (Appeal-I), Kolkata	1,04,04,448
Finance Act	Service Tax	FY13 to FY17 April 17 to June 2017 (SP CMG division)	Commissioner Appeals	5,92,00,000

** The cases have been remanded back to the Assessing Officer to pass the final order

(A) SPCPL - details of matters above INR 25 Crore on indirect tax

No.	Type of Dues	Period	Order/ SCN issued by	Appealate Authority	Nature	For Caro (Net of Payment) (INR)
1	VAT /ET - Odisha (Kol RO E&C Share)	2011-12 & 2012-13	Against JCCT Rourkela order	Addl. Commissioner Appeals, Sundergarh Range, Rourkela	Disallowance of Input Tax Credit on purchase/expenses	58,79,04,846

	Remarks / Brief on the Case Order passed by AO on disallowance of labour & services, input credit, non submission of E1, E2 sales and SEZ sales. Demand of Rs. 61,20,42,214/- is a consolidated demand for Hyderabad RO, CMG & EPC which includes VAT Demand Rs 56,19,51,044 (E&C Kol Share Rs. 16,06,30,055) & ET Demand Rs 5,00,91,170 (E&C Kol RO Share Rs. 42,31,074). Writ petition filed before Hon'ble High Court. An Interim order has been passed for paying VAT Rs 1 cr & ET Rs 50 lakhs. The amount of advance paid for the said assessment year was Rs 1,50,00,000/- Out of Rs 1.50 cr, E&C Share was Rs 82,00,000/-. Hon'ble Orissa Highcourt in its order dated 21-08-2019 has directed to file appeal within 30 days before the 1st appellate authority (Addl. Commissioner appeals, Sundergarh Range, Rourkella) which has been done. Further deposit of Rs. 91,37,368/- has been made for VAT being the differential amount for filing appeal.					
2	Service Tax	July 2012 to 2013-14	Commissioner Service Tax	Appeal CESTAT	Dispute regarding reclassification of services and thereby it's applicable rate	36,48,54,264
	Remarks / Brief on the Case Issue w.r.t demand raised for 36.48 Crores is below; Re-classification of services from 'commercial or industrial construction service' to 'Works contract services' & Short payment of service tax on taxable value pertaining to additional excise duty recoverable from assessee client. Service tax liability was discharged on full value consideration after availing input tax credit (ITC) of taxes paid on inputs and input services. SPC discharged service tax liability in accordance to rule 2A of the Service Tax (Determination of Value) Rules, 2006 ('Valuation rules'). The dept under CERA audit raise the objection and demand SCN. In view of the contentions of SPC, and there being no estoppel on re-classification.					
3	Service Tax	March 2009 to Sept 2013	Principal Commissioner - ST, Nagpur	CESTAT, Mumbai	Dispute on exemption of service tax	29,04,29,282
	Remarks / Brief on the Case The assessee has filed an appeal with CESTAT, Nagpur against the said order - ST SEZ Project :- Principle commissioner issued SCN on the ground 1) that the approval letters is not contain the name of the company as per rule 27(1) of the Special Economic Zone Rules, 2006. 2) The assessee has operations outside the SEZ area. not obtain approval from the Approval Committee. 3) Taxable service not mentioned in the letter etc.					

(B) Ongoing assessment proceedings, pending major litigations before the Tax Authorities and outstanding Income-tax demands under the Act

Sr. No.	Assessment Year	Gross tax demand (INR)	Forum at which it is pending	Nature of issues involved
1	2011-12 (Original)	-	High Court	1. Disallowance u/s 14A towards expenses incurred to earn exempt income
				2. Disallowance u/s 36(1)(iii) towards interest expense considered incurred for non-business purpose
2	2011-12 (Reassessment)	-	CIT(A)	Disallowance of unexplained expenditure u/s 68.
3	2012-13 (Original)	-	CIT(A)	1. Disallowance u/s 14A towards expenses incurred to earn exempt income
				2. Disallowance u/s 36(1)(iii) towards interest expense considered incurred for non-business purpose
				3. Transfer pricing adjustment on account of Guarantee Commission
4	2012-13 (Reassessment)	14,84,880	CIT(A)	Disallowance of unexplained expenditure u/s 68.
5	2012-13 (Revision)		CIT	Revisionary Proceedings u/s 263 to disallow Provision for Forceable Loss
6	2013-14	-	CIT(A)	1. Disallowance u/s 14A towards expenses incurred to earn exempt income
				2. Disallowance u/s 36(1)(iii) towards interest expense considered incurred for non-business purpose
				3. Transfer pricing adjustment on account of Guarantee Commission
7	2014-15 (Original)	-	ITAT	Transfer pricing adjustment on account of Guarantee Commission
8	2014-15 (Reassessment)	29,75,65,290	CIT (A)	Disallowance u/s 14A r.w.r.8D(2)(ii) i.e. Interest Expense under reassessment proceedings.
9	2014-15 (Reassessment)		Assessing Officer	Reassessment Proceedings initiated for fictitious capital loss.
10	2015-16	1,57,85,880	ITAT	Transfer pricing adjustment on account of Guarantee Commission
11	2016-17	3,88,19,174	ITAT	Transfer pricing adjustment on account of Guarantee Commission
12	2017-18	80,66,96,520	CIT (A)	1. Gain on sale of shares to subsidiary considered taxable while computing Book Profit, as against exempt treated by the Company.

				2. Equity Component of preference shares considered taxable while computing Book Profit
13	2018-19		Assessing Officer	Assessment proceedings completed. Final Assessment order awaited
14	2020-21		Assessing Officer	Assessment proceedings initiated.
15		2,87,23,791		TDS related demands for various TAN and Assessment Years.

MATERIAL DEVELOPMENT AFTER THE DATE OF LAST AUDITED FINANCIAL STATEMENTS AS ON NOVEMBER 30, 2021

In the opinion of our Board, there have not arisen, since the date of the last audited financial statements i.e. November 30, 2021, any circumstances that materially or adversely affect or are likely to affect our profitability taken as a whole or the value of our assets or our ability to pay our material liabilities within the next 12 months.

GOVERNMENT APPROVALS

Some of the key regulatory approvals to carry on our business activities are as under:

Permanent Account Number	: AABCF3759R
Tax Deduction Account Number	: MUMF05981D
Goods and Services Tax Number	: 27AABCF3759R2ZW

Other Approvals

i. Registration for employees' provident fund issued by the Employees' Provident Fund Organization under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
ii. Registration for employees' insurance issued by the Employees State Insurance Corporation under the Employees' State Insurance Act, 1948;
iii. Certificate of Import Export Code issued by Ministry of Commerce and Industry;
iv. Registration with Ministry of Commerce and Industry, Department for Promotion of Industry and Internal Trade Industrial Entrepreneurs Memorandum Section;
v. Professional Tax Enrolment Certificate (PTEC) and Professional Tax Registration Certificate (PTRC) under relevant provisions of Profession, Trading, Business and Employment Tax, Act, 1976; and
vi. Factory License issued by the Directorate of Industrial Safety and Health.

Upon Part III of this Scheme becoming effective, with effect from the Appointed Date and upon the Scheme becoming effective, permits relating to the Demerged Undertaking of FCL shall be transferred to and vested in the Company and the concerned licensor and grantors of such permits shall endorse where necessary, and record the Company on such permits so as to empower and facilitate the approval and vesting of the Demerged Undertaking of FCL in the Company and continuation of operations pertaining to the Demerged Undertaking of FCL in the Company without any hindrance, and shall stand transferred to and vested in and shall be deemed to be transferred to and vested in the Company without any further act or deed and shall be appropriately mutated by the appropriate authorities concerned therewith in favour of the Company as if the same were originally given by, issued to or executed in favour of the Company and the Company shall be bound by the terms thereof, the obligations and duties thereunder and the rights and benefits under the same shall be available to the Company.

Further, the Company is in the process of making appropriate applications to record the change in the said licenses recording the transfer of licenses to Company.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority of Listing

The Hon'ble NCLT, Mumbai Bench *vide* its Order dated January 25, 2022 (certified copy received by the Company on January 31, 2022) has approved the Scheme of Arrangement. For more details relating to the Scheme of Arrangement please refer to the Section titled "Scheme of Arrangement" on page 39 of this Information Memorandum. In accordance with the said Scheme, the equity shares of our Company issued pursuant to the Scheme shall be listed and admitted to trading on the BSE. Such listing and admission for trading is not automatic and is subject to fulfillment by the Company of criteria of BSE and also subject to such other terms and conditions as may be prescribed by BSE at the time of application by our Company seeking listing. Our Company has received no objection from BSE on the Scheme of Arrangement under Regulation 37 of the SEBI LODR Regulations vide their letter nos. DCS/AMAL/JR/R37/1875/2020-21 dated January 12, 2021 and DCS/AMAL/JR/R37/2150/2020-21 dated November 23, 2021

The Company has received approval for listing of its Equity Shares on BSE vide their letter no. DCS/AMAL/TL/IP/2244/2021-22 dated March 02, 2022. Further, the Company has also received a letter bearing no. SEBI/HO/CFD/DIL2/AN/OW/2022/8961 dated March 02, 2022 from the SEBI in relation to relaxation from applicability of Rule 19(2)(b) of the SCRR for listing of the Equity Shares of Eureka Forbes Limited on stock exchange.

Prohibition by SEBI

The Company, its promoter, its promoter group, its directors, other companies promoted by the promoter has not been prohibited from accessing the capital market under any order or direction passed by SEBI.

Further, any of the directors of the Company are not associated with the securities market in any manner, and SEBI has not initiated any action against any entity, with whom the directors of the Company are associated.

Eligibility Criteria

There being no initial public offering or rights issue, the eligibility criteria in terms of Chapter II of the SEBI ICDR Regulations, as amended does not become applicable.

However, SEBI, vide its letter no. SEBI/HO/CFD/DIL2/AN/OW/2022/8961 dated March 02, 2022, granted relaxation of clause (b) to sub-rule (2) of Rule 19 of SCRR thereof by making an application to SEBI under sub-rule (7) of Rule 19 of the SCRR as per the SEBI Circular. Our Company submitted this Information Memorandum, containing information about our Company, making disclosures in line with the disclosure requirement for public issues, as applicable to BSE and the Information Memorandum shall be made available to public through the respective websites of the Stock Exchange i.e. www.bseindia.com. Our Company shall make the Information Memorandum available on its website at www.eurekaforbes.com. Our Company has published an advertisement in the newspapers containing its details as per the SEBI Circular with the details required in terms of Annexure A Part III (A) para 2 sub-clause 5 of the SEBI Circular. The advertisement draws specific reference to the availability of the Information Memorandum on our Company's website.

Willful defaulters by Reserve Bank of India

The Company, its promoter, its promoter group, the relatives (as per the Companies Act, 2013) of Promoter and other companies promoted by the Promoter are not identified as willful defaulters by Reserve Bank of India Circular Ref. No. RBI/2015-16/100 DBR.No.CID.BC.22/20.16.003/2015-16 dated July 1, 2015 or other authorities.

Compliance with Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, Promoters, Promoter Group is in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018.

Fugitive Economic Offences

None of our Promoters or Directors is declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018.

Association with the Securities Market

None of our other Directors are associated with the securities market in any manner. No action has been initiated by SEBI against any of our Directors in the past 5 years preceding the date of this Information Memorandum.

General Disclaimer from the Company

The Company accepts no responsibility for statements made otherwise than in the Information Memorandum or in the advertisements to be published in terms of Annexure A Part III (A) para 2 sub-clause 5 of the SEBI Circular or any other material issued by or at the instance of our Company and anyone placing reliance on any other source of information would be doing so at his or her own risk. All information shall be made available by our Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner.

Jurisdiction

Exclusive jurisdiction for the purpose of this Information Memorandum is with the competent courts / authorities in Mumbai, Maharashtra India.

In Principle Approval from BSE

The Company has received in-principle approval under Regulation 37 of the SEBI LODR Regulations from BSE in relation to listing of equity shares issued pursuant to the Scheme of Arrangement vide their letter no. DCS/AMAL/JR/R37/1875/2020-21 dated January 12, 2021 and DCS/AMAL/JR/R37/2150/2020-21 dated November 23, 2021.

Disclaimer Clause – BSE

As required, a copy of Draft Scheme was submitted to BSE. BSE has *vide* its letter DCS/AMAL/JR/R37/1875/2020-21 dated January 12, 2021 and DCS/AMAL/JR/R37/2150/2020-21 dated November 23, 2021 granted its observations on the Scheme of Arrangement under Regulation 37 of the SEBI LODR Regulations and by virtue of that approval, the BSE's name is included in this Information Memorandum as one of the Stock Exchange on which the Company's securities are proposed to be listed.

Filing

Copy of this Information Memorandum has been filed with BSE.

Listing

Application has been made to BSE for permission for listing and trading in and for an official quotation of the Equity Shares of the Company. The Company has nominated BSE as the Designated Stock Exchange for the aforesaid listing of shares. The Company ensure that it will take all steps for the completion of necessary formalities for listing and commencement of trading at BSE within such period as approved by SEBI.

Demat Credit

The Company has executed Tri-partite Agreements with CDSL and NSDL dated January 18, 2022 and January 12, 2022, respectively, for admitting its securities in demat form. The ISIN allotted to the Company's equity shares is

INE0KCE01017. Shares have been allotted to those shareholders who have provided necessary details to the Company/RTA and/or who were holding their shares in Eureka Forbes Limited in demat form as on the Record Date i.e. February 11, 2022. The demat shares have been credited to the demat accounts of the shareholders by CDSL and NSDL on February 16, 2022 and February 17, 2022 respectively.

Dispatch of share certificates

Pursuant to the Scheme, on February 14, 2022, our Company has issued and allotted its Shares to eligible shareholders of Eureka Forbes Limited on the Record Date, i.e. February 11, 2022 and our Company has dispatched share certificates to those shareholders holding shares in Eureka Forbes Limited in physical form by February 17, 2022. Further, dispatch of share certificates to 38 shareholders who hold 88,125 Equity shares of the Company in physical mode, has been kept on hold as their respective matters are sub-judice.

Expert Opinions

Save as stated elsewhere in this Information Memorandum, we have not obtained an expert opinion.

Previous Rights and Public Issues

Since incorporation, our Company has not issued Equity Shares to the public or had any Rights Issues.

Capital Issue in the last 3 years

The Company had allotted 20,00,000 equity shares of Rs.10/- each at par to erstwhile Eureka Forbes Limited on 28/08/2019 via Right Issue.

Commission and Brokerage on previous issues

Since the Company has not issued shares to the public in the past, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since its inception.

Companies under the same management

There are no companies under the same management within the meaning of Section 370(1B) of the erstwhile Companies Act, 1956 other than the ones disclosed elsewhere in the Information Memorandum.

Promise vis-à-vis Performance

This is for the first time the Company is getting listed on the Stock Exchange.

Outstanding Debenture or Bonds and Redeemable Preference Shares and Other Instruments Issued by the Company

Save as stated elsewhere in this Information Memorandum, there are no outstanding debentures or bonds and redeemable preference shares and other instruments issued by the Company.

Stock Market Data for Equity Shares of the Company

Equity shares of the Company are not listed on any stock exchanges. The Company is seeking approval for listing of shares through this Information Memorandum.

Disposal of Investor Grievances

Link Intime India Private Limited is the Registrar and Transfer Agent of the Company to accept the documents/requests/complaints from the investors/shareholders of the Company. All documents are received at the inward department, where the same are classified based on the nature of the queries/actions to be taken and coded accordingly. The documents are then electronically captured before forwarding to the respective processing units. The documents are processed by professionally trained personnel. The Company has set up service standards for each of the various processors involved such as effecting the transfer/dematerialization of securities/change of address ranging from 3-7 days.

Dattaram P Shinde, Company Secretary, Head - Legal & Compliance Officer of the Company is vested with responsibility of addressing the Investor Grievance(s) in coordination with Registrar & Transfer Agent.

Name and Contact Details of the Company Secretary and Compliance Officer:

Dattaram P Shinde
Company Secretary, Head - Legal & Compliance Officer
Eureka Forbes Limited
B1/B2, 7th Floor, 701,
Off. Ganpatrao Kadam Marg,
Lower Parel, Mumbai – 400013
Maharashtra, India
Tel.: +91 022 48821700
Email: complaince@eurekaforbes.com
Website: www.eurekaforbes.com

Change in auditors during last three years

There has been no change in the Statutory Auditors of the Company during last three years.

Capitalisation of reserves or profits

Our Company has not capitalised reserves or profits during last three years.

Revaluation of assets

Our Company has not revalued its assets during last three years except fair value accounting treatment proposed pursuant to Scheme of Arrangement.

MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

A COMPANY LIMITED BY SHARES

1. Table F Excluded

i. The regulations contained in the Table 'F' in Schedule I to the Companies Act, 2013 shall not apply to the Company, except in so far as the same are repeated, contained or expressly made applicable in these Articles or by the Companies Act, 2013.

ii. The regulations for the management of the Company and for the observance by the members thereto and their representatives, shall be such as are contained in these Articles.

2. Definitions and Interpretation

A. Definitions

In the interpretation of these Articles the following words and expressions shall have the following meanings unless repugnant to the subject or context.

(a) "Act" mean the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof and the relevant Rules framed thereunder, which are relatable to the relevant Article in which the said term appears in these Articles.

(b) "Articles" means these Article of Association of the Company or as altered from time to time.

(c) "Auditors" shall mean and include those persons appointed as such for the time being by the Company

(d) "Board" or "Board of Directors" shall mean the collective board of directors of the Company, as duly called and constituted from time to time, in accordance with Law and the provisions of these Articles

(e) "Board Meeting" shall mean any meeting of the Board, as convened from time to time and any adjournment thereof, in accordance with law and the provisions of these Articles.

(f) "Chairperson" shall mean such person as is nominated or appointed in accordance with Articles herein below.

(g) "Companies Act, 1956" shall mean the Companies Act, 1956 (Act I of 1956), to the extent that such provisions have not been repealed or superseded by the Companies Act, 2013 or de-notified.

(h) "Company or this Company" shall mean Eureka Forbes Limited.

(i) "Committee" shall have the meaning ascribed to such term in accordance with Articles herein below.

(j) "Depositories Act" shall mean The Depositories Act, 1996 and shall include any statutory modification or re-enactment thereof.

(k) "Director" shall mean any director of the Company, including alternate directors, independent directors and nominee directors appointed in accordance with the Law and the provisions of these Articles.

(l) "Debenture" includes Debenture stock, bonds or any other instrument of a Company evidencing a debt, whether constituting a charge on the assets of the Company or not.

(m) "Encumbrance" shall mean any encumbrance including without limitation any mortgage, pledge, charge, lien, deposit or assignment by way of security, bill of sale, option or right of pre-emption, entitlement to beneficial ownership and any interest or right held, or claim that could be raised, by a third party or any other encumbrance or security interest of any kind;

(n) "Equity Share Capital" shall mean the total issued and paid-up equity share capital of the Company.

(o) "Law/Laws" shall mean all applicable provisions of all (i) constitutions, treaties, statutes, laws (including the common law), codes, rules, regulations, circulars, ordinances or orders of any governmental authority and SEBI, (ii) governmental approvals, (iii) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any governmental authority, (iv) rules or guidelines for compliance, of any stock exchanges,

(v) international treaties, conventions and protocols, and (vi) Indian GAAP or Ind-AS or any other generally accepted accounting principles.

(p) "Memorandum" shall mean the memorandum of association of the Company, as amended from time to time.

(q) "Seal" means the common seal of the company.

(r) "SEBI" shall mean the Securities and Exchange Board of India, constituted under the Securities and Exchange Board of India Act, 1992.

(s) "Securities" or "securities" shall mean any Share (including Equity Shares), scrips, stocks, bonds, debentures, warrants or options whether or not, directly or indirectly convertible into, or exercisable or exchangeable into or for Equity Shares, and any other marketable securities.

(t) "Shareholder" or "shareholder" or "member" shall mean any shareholder of the Company, from time to time.

B. Interpretation

In these Articles (unless the context requires otherwise):

(a) References to a person shall, where the context permits, include such person's respective successors, legal heirs and permitted assigns.

(b) The descriptive headings of Articles are inserted solely for convenience of reference and are not intended as complete or accurate descriptions of content thereof and shall not be used to interpret the provisions of these Articles and shall not affect the construction of these Articles.

(c) References to articles and sub-articles are references to Articles and sub-articles of and to these Articles unless otherwise stated and references to these Articles include references to the articles and sub-articles herein.

(d) Words importing the singular include the plural and vice versa, pronouns importing a gender include each of the masculine, feminine and neuter genders, and where a word or phrase is defined, other parts of speech and grammatical forms of that word or phrase shall have the corresponding meanings.

(e) Wherever the words "include," "includes," or "including" is used in these Articles, such words shall be deemed to be followed by the words "without limitation".

Share capital and variation of rights

3. Subject to the provisions of the Act and these Articles, the shares in the capital of the company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.

4. (*i*) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided,—

(*a*) one certificate for all his shares without payment of any charges; or

(*b*) several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.

(*ii*) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.

(*iii*) In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

5. (*i*) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.

(*ii*) The provisions of Articles (*2*) and (*3*) shall *mutatis mutandis* apply to debentures of the company.

6. Except as required by law, no person shall be recognised by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

7. (*i*) The company may exercise the powers of paying commissions conferred by sub-section (*6*) of section 40, provided that the rate percent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rule made thereunder.

(*ii*) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.

(*iii*) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

8. (*i*) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.

(*ii*) To every such separate meeting, the provisions of these regulations relating general meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.

9. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further share ranking *pari passu* therewith.

10. Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.

Lien

11. (*i*) The Company shall have a first and paramount lien—

(*a*) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and

(*b*) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company:

Provided that the Board of directors may at any time declare any share to wholly or in part exempt from the provisions of this clause.

(*ii*) The company's lien, if any, on a share shall extend to all dividend bonuses declared from time to time in respect of such shares.

12. The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien:

Provided that no sale shall be made—

(*a*) unless a sum in respect of which the lien exists is presently payable; or

(*b*) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

13. (*i*) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.

(*ii*) The purchaser shall be registered as the holder of the shares comprised in any such transfer.

(*iii*) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

14. (*i*) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.

(*ii*) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

(iii) The provisions of these Articles relating to lien shall mutatis mutandis apply to any other securities including debentures of the Company.

Calls on shares

15. (*i*) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:

Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.

The option or right to call of shares shall not be given to any person except with the sanction of the company in general meeting.

(*ii*) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.

(*iii*) A call may be revoked or postponed at the discretion of the Board.

16. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.

17. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

18. (*i*) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent per annum or at such lower rate, if any, as the Board may determine.

(*ii*) The Board shall be at liberty to waive payment of any such interest wholly or in part.

19. (*i*) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

(*ii*) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

20. The Board—

(*a*) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and

(*b*) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance.

Transfer of shares

21. (*i*) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee. The company shall use a common form of transfer.

(*ii*) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

22. The Board may, subject to the right of appeal conferred by section 58 decline to register—

(*a*) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or

(*b*) any transfer of shares on which the company has a lien.

23. The Board may decline to recognise any instrument of transfer unless—

(*a*) the instrument of transfer is in the form as prescribed in rules made under sub-section (*1*) of section 56;

(*b*) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and

(*c*) the instrument of transfer is in respect of only one class of shares.

24. On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

Transmission of shares

25. (*i*) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a shareholder, shall be the only persons recognized by the company as having any title to his interest in the shares.

(*ii*) Nothing in clause (*i*) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

26. (*i*) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—

(*a*) to be registered himself as holder of the share; or

(*b*) to make such transfer of the share as the deceased or insolvent member could have made.

(*ii*) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

27. (*i*) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.

(*ii*) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

(*iii*) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

28. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have complied with.

Forfeiture of shares

29. If a member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.

30. The notice aforesaid shall—

(*a*) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and

(*b*) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

31. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

32. (*i*) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.

(*ii*) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

33. (*i*) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.

(*ii*) The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.

34. (*i*) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;

(*ii*) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;

(*iii*) The transferee shall thereupon be registered as the holder of the share; and

(*iv*) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

35. The provisions of these regulations as to forfeiture shall apply in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

Alteration of capital

36. The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.

37. Subject to the provisions of section 61, the company may, by ordinary resolution,—

(*a*) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

(*b*) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;

(*c*) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;

(*d*) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

38. Where shares are converted into stock,—

(*a*) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

(*b*) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of

the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
(*c*) such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder" in those regulations shall include "stock" and "stock-holder" respectively.

39. The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,—

(*a*) its share capital;

(*b*) any capital redemption reserve account; or

(*c*) any share premium account.

Capitalisation of profits

40. (*i*) The Company in general meeting may, upon the recommendation of the Board, resolve—

(*a*) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and

(*b*) that such sum be accordingly set free for distribution in the manner specified in clause (*ii*) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

(*ii*) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (*iii*), either in or towards—

(*A*) paying up any amounts for the time being unpaid on any shares held by such members respectively;

(*B*) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;

(*C*) partly in the way specified in sub-clause (*A*) and partly in that specified in sub-clause (*B*);

(*D*) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;

(*E*) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.

41. (*i*) Whenever such a resolution as aforesaid shall have been passed, the Board shall—

(*a*) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and

(*b*) generally do all acts and things required to give effect thereto.

(*ii*) The Board shall have power—

(*a*) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and

(*b*) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;

(*iii*) Any agreement made under such authority shall be effective and binding on such members.

Buy-back of shares

42. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

General meetings

43. All general meetings other than annual general meeting shall be called extraordinary general meeting.

44. (*i*) The Board may, whenever it thinks fit, call an extraordinary general meeting.

(*ii*) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

Proceedings at general meetings

45. (*i*) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.

(*ii*) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.

46. The Chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.

47. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one amongst them to be Chairperson of the meeting.

48. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall elect one amongst them to be Chairperson of the meeting.

Adjournment of meeting

49. (*i*) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.

(*ii*) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

(*iii*) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

(*iv*) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

Voting rights

50. Subject to any rights or restrictions for the time being attached to any class or classes of shares,—

(*a*) on a show of hands, every member present in person shall have one vote; and

(*b*) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.

51. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.

52. (*i*) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

(*ii*) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.

53. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.

54. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

55. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.

56. (*i*) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.

(*ii*) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

Proxy

57. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.

58. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.

59. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

Board of Directors

60. The number of the directors and the names of the first directors shall be determined in writing by the subscribers of the memorandum or a majority of them.

61. (*i*) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

(*ii*) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them—

(*a*) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or

(*b*) in connection with the business of the company.

62. The Board may pay all expenses incurred in getting up and registering the company.

Registers

63. (i) The Company shall keep and maintain at its registered office all statutory registers namely, register of charges, register of members, register of debenture holders, register of any other security holders, the register and index of beneficial owners and annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name and register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules. The registers and copies of annual return shall be open for inspection during 11.00 a.m. to 1.00 p.m. on all working days, other than Saturdays, at the registered office of the Company by the persons entitled thereto on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Act.

(ii) The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that (section) make and vary such regulations as it may think fit respecting the keeping of any such register.

Execution of Negotiable Instruments

64. All cheques, promissory notes, drafts, *hundis*, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.

65. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.

Appointment of Additional Directors

66. (*i*) Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.

(*ii*) Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.

Proceedings of the Board

67. (*i*) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.

(*ii*) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.

68. (*i*) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.

(*ii*) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.

69. The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.

70. (*i*) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.

(*ii*) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the directors present may elect one amongst them to be Chairperson of the meeting.

71. (*i*) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.

(*ii*) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.

72. (*i*) A committee may elect a Chairperson of its meetings.

(*ii*) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.

73. (*i*) A committee may meet and adjourn as it thinks fit.

(*ii*) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.

74. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.

75. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer

76. Subject to the provisions of the Act,—

(*i*) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;

(*ii*) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

77. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

The Seal

78. (*i*) The Board shall provide a common seal for the Company and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being, and the Seal shall, if required, be affixed in the presence of any one Director or Company Secretary or Chief Financial Officer or such other Officers as may be authorised by any resolution of the Board of Directors or any Committee of the Board of Directors.

(*ii*) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors or one director and the secretary or such other person as the Board may appoint for the purpose; and those two directors or one director and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

Dividends and Reserve

79. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

80. Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.

81. (*i*) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, thinks fit.

(*ii*) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

82. (*i*) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.

(*ii*) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share. Any amount paid-up in advance of calls on any share may carry interest but shall not entitle the holder of the share to participate in respect thereof, in a dividend subsequently declared.

(*iii*) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

(iv) Subject to Section 126 of the Act, a transfer of shares shall not pass the right to any Dividend declared thereon before the registration of the transfer.

83. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company or in a capacity other than member of the Company.

84. (*i*) Any dividend, interest or other monies payable in cash in respect of shares maybe paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.

(*ii*) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

85. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.

86. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.

87. No dividend shall bear interest against the company. There will be no forfeiture of unclaimed dividends before the claim becomes barred by law.

Accounts

88. (*i*) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.

(*ii*) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.

Winding up

89. Subject to the provisions of the Act and rules made thereunder—

(*i*) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.

(*ii*) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.

(*iii*) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

Indemnity & Insurance

90 *(i)* Subject to the provisions of the Act, every director, managing director, whole-time director, manager, company secretary and other officer of the Company shall be indemnified by the Company out of the funds of the Company, to pay all costs, losses and expenses (including travelling expense) which such director, manager, company secretary and officer may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such director, manager, company secretary or officer or in any way in the discharge of his duties in such capacity including expenses.

Subject as aforesaid, every director, managing director, manager, company secretary or other officer of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgement is given in his favour or in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by the Court.

(ii) The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.

General Power

91. Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry out such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.

Authority to Board

92. The Board of Directors of the Company are authorised to do all acts, deeds and things as it may in its absolute discretion deem necessary, expedient proper or desirable and to settle all questions, difficulties or doubts that may arise in regards to these Articles at any stage without requiring the Board to secure further consent or approval of the Members of the Company

Notice by Advertisement

93. Subject to the applicable provisions of the Act, any document required to be served or sent by the Company on or to Shareholders, or any of them and not expressly provided for by these Articles, shall be deemed to be duly served or sent if advertised in a newspaper circulating in the District in which the Registered Office is situated.

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of the Information Memorandum), which are or may be deemed material have been entered or are to be entered into by our Company. These contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company situated at B1/B2, 7th Floor, 701, Off. Ganpatrao Kadam Marg, Lower Parel, Mumbai – 400013 from 10.00 a.m. to 02.00 p.m. (IST) on working days from the date of the Information Memorandum.

Documents for Inspection

1. Certificate of Incorporation of our Company.
2. Memorandum and Articles of our Company.
3. Scheme of Arrangement among between ATPL, EFFSL, Erstwhile Eureka Forbes Limited, FCL and the Company and their respective shareholders and creditors.
4. Order dated January 25, 2022 (certified true copy recieved on January 31, 2022) of the NCLT, Mumbai, sanctioning the Scheme of Arrangement under Section 230 to 232 of the Companies Act, 2013 read with Section 66 of the Companies Act, 2013.
5. Letter under Regulation 37 of SEBI LODR Regulations issued by BSE DCS/AMAL/JR/R37/1875/2020-21 dated January 12, 2021 and DCS/AMAL/JR/R37/2150/2020-21 dated November 23, 2021.
6. Tripartite agreements dated January 18, 2022 and January 12, 2022 with CDSL & NSDL respectively.
7. Statement of Possible Tax Benefits dated 17 February, 2022 from Batliboi & Purohit, Chartered Accountants, the Statutory Auditors of the Company.
8. Audited financial statements of our Company for the period ended November 30, 2021, March 31, 2021, March 31, 2020 and March 31, 2019.
9. BSE letter no. DCS/AMAL/TL/IP/2244/2021-22 dated March 02, 2022 for granting in-principle listing approval.
10. SEBI Relaxation letter no. SEBI/HO/CFD/DIL2/AN/OW/2022/8961 dated March 02, 2022 granting relaxation for listing from the applicability of Rule 19(2)(b) of the SCRR.

Any of the contracts or documents mentioned in the Information Memorandum may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Shareholders subject to compliance of the provisions contained in the Act and other relevant statutes.

DECLARATION

All relevant provisions of the Companies Act, 2013 (to the extent notified and applicable), the rules made thereunder and the guidelines issued by the Government of India or the regulations issued by Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in this Information Memorandum is in contrary to the provision of the Companies Act, 2013 (to the extent notified and applicable), the Securities and Exchange Board of India Act, 1992 or the rules made thereunder. We further certify that all statements made in the Information Memorandum are true and correct.

For and on behalf of the Board of Directors of
Eureka Forbes Limited
(formerly Forbes Enviro Solution Limited)

Sd/-
Dattaram P Shinde
Company Secretary, Head - Legal & Compliance Officer

Date: March 10, 2022
Place: Mumbai