



High Performance Cutting Tools



June 28, 2024

General Manager,  
Listing / Compliance Department,  
BSE Ltd.  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai 400 001

Subject: Annual Report of the Company for the Financial Year 2023-24 and Notice convening 2<sup>nd</sup> Annual General Meeting (AGM)

Dear Sir,

Pursuant to Regulation 30 read with Para A of Part A of Schedule III and Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), please find enclosed herewith, the Annual Report of the Company for the Financial Year 2023-24, containing, inter alia, the Notice of the 2<sup>nd</sup> Annual General Meeting (AGM) of the Company scheduled to be held on Thursday, July 25, 2024, at 3:00 P.M. (IST) at Indian Merchant's Chambers, Walchand Hirachand Hall, IMC Building, 4th floor, IMC Marg, Churchgate, Mumbai - 400 020.

The Notice of the AGM along with the Annual Report for the Financial Year 2023-24 is also available on the website of the Company, [www.forbesprecision.co.in/](http://www.forbesprecision.co.in/)

The remote e-voting period commences Monday, July 22, 2024 (9:00 am) (IST) and ends on Wednesday, July 24, 2023 (5:00 pm) (IST). During this period, the Shareholders of the Company, holding shares in dematerialized form, as on the cutoff date, i.e., Thursday, July 18, 2024, may cast their votes by remote e-voting.

We request you to kindly take the above information on record.

Yours faithfully,  
For Forbes Precision Tools and Machine Parts Limited

**Rupa Khanna**  
**Company Secretary and Compliance Officer**  
Membership No. A33322

Forbes Precision Tools and Machine Parts Limited  
Registered Office  
Forbes' Building, Charanjit Rai Marg, Fort,  
Mumbai-400 001, Maharashtra, India.  
(T) +91-22-69138900

Factory  
B-13, MIDC Waluj, Chhatrapati Sambhajnagar  
Maharashtra (India) 431 133  
(T) +91-0240-2553421/22



**2<sup>nd</sup>**  
**ANNUAL**  
**REPORT**  
**2023-24**

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**Forbes Precision Tools and  
Machine Parts Limited**

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**High Performance Cutting Tools**

[www.forbesprecision.co.in](http://www.forbesprecision.co.in)



High Performance Cutting Tools

MILLING



THREADING



DEBURRING



DRILLING



Forbes Precision Tools and Machine Parts Ltd.

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High Performance Cutting Tools

# COMPLETE TOOLING SOLUTIONS FOR YOUR BUSINESS



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[www.forbesprecision.co.in](http://www.forbesprecision.co.in)



## Forbes Precision Tools and Machine Parts Limited

### Board of Directors

Marzin R. Shroff	Chairman	(appointed w.e.f March 30, 2024)
Mahesh C. Tahilyani	Managing Director	(appointed w.e.f April 1, 2024)
D. Sivanandhan	Independent Director	(appointed w.e.f March 30, 2024)
Jai Mavani	Non-Executive Director	(appointed w.e.f March 30, 2024)
Rani Jadhav	Independent Director	(appointed w.e.f March 30, 2024)
Nikhil Bhatia	Independent Director	(appointed w.e.f March 30, 2024)
Ravinder Prem	Non-Executive Director	(upto March 31, 2024)
Nirmal Jagawat	Non-Executive Director	(upto March 31, 2024)
Rupa Khanna	Non-Executive Director	(upto March 31, 2024)

### Chief Financial Officer

Vikram Nagar (appointed w.e.f April 1, 2024)

### Company Secretary & Compliance Officer

Rupa Khanna (appointed w.e.f April 1, 2024)

### Statutory Auditors

M/s. Sharp & Tannan Associates

### Registered Office

Forbes' Building, Charanjit Rai Marg, Fort, Mumbai 400 001  
Tel: +91 22 69138900  
Email: investor.relations@forbesprecision.co.in  
Website: www.forbesprecision.co.in/

### Registrars & Share Transfer Agents

Link Intime India Private Limited  
**Unit:** Forbes Precision Tools and Machine Parts Limited,  
C- 101, 1<sup>st</sup> Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West).  
Mumbai - 400083  
Tel: +91 8108118484  
Email: rnt.helpdesk@linkintime.co.in  
Website: www.linkintime.co.in

Second Annual General Meeting of Forbes Precision Tools and Machine Parts Limited will be held on Thursday, July 25, 2024 at 03.00 pm at Indian Merchant's Chambers, Walchand Hirachand Hall, IMC Building, 4<sup>th</sup> floor, IMC Marg, Churchgate, Mumbai - 400 020.

This Annual Report can be accessed at [www.forbesprecision.co.in/](http://www.forbesprecision.co.in/)

## SECOND ANNUAL REPORT 2023-24

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## NOTICE

**NOTICE** is hereby given that the 2<sup>nd</sup> Annual General Meeting (AGM) of the Members of Forbes Precision Tools and Machine Parts Limited will be held on Thursday, July 25, 2024 at 03.00 p.m. at Indian Merchants' Chambers, Walchand Hirachand Hall, IMC Building, 4<sup>th</sup> Floor, IMC Marg, Churchgate, Mumbai 400 020 to transact the following business:

### ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2024 together with the Report of the Board of Directors and the Auditors thereon;
2. To appoint a Director in place of Mr. Jai Mavani (DIN: 05260191), who retires by rotation and being eligible, seeks re-appointment.

### SPECIAL BUSINESS

#### 3. Ratification of remuneration to Cost Auditor

To consider and, if thought fit, to pass, with or without modification(s), the following resolution, as an **Ordinary Resolution**:

**“Resolved that** pursuant to the provisions of Section 148 (3) and all other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) (including any statutory modification(s) or re-enactment thereof), read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the remuneration of ₹ 2.50 Lakhs plus applicable taxes and out of pocket expenses payable to M/s. Kishore Bhatia & Associates, Cost Accountants (Firm Registration No. 00294), the Cost Auditor appointed by the Board of Directors of the Company, to conduct the audit of the cost accounts of the Company for the financial year ending March 31, 2024 be and is hereby ratified and confirmed.

**Resolved further that** the Board of Directors of the Company (including any duly constituted Committee thereof) be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

#### 4. Ratification of remuneration to Cost Auditor

To consider and, if thought fit, to pass, with or without modification(s), the following resolution, as an **Ordinary Resolution**:

**“Resolved that** pursuant to the provisions of Section 148 (3) and all other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) (including any statutory modification(s) or re-enactment thereof), read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the remuneration of ₹ 2.50 Lakhs plus applicable taxes and out of pocket expenses payable to M/s. Kishore Bhatia & Associates, Cost Accountants (Firm Registration No. 00294), the Cost Auditor appointed by the Board of Directors of the Company, to conduct the audit of the cost

accounts of the Company for the financial year ending March 31, 2025 be and is hereby ratified and confirmed.

**Resolved further that** the Board of Directors of the Company (including any duly constituted Committee thereof) be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

### By Order of the Board

#### Rupa Khanna

Company Secretary & Compliance Officer  
Membership No. A33322

Mumbai, May 6, 2024

#### Registered Office:

Forbes' Building, Charanjit Rai Marg, Fort, Mumbai 400 001

Tel: +91 22 6913 8900

Email: investor.relations@forbesprecision.co.in

CIN: U29256MH2022PLC389649

Website: www.forbesprecision.co.in/

### NOTES:

1. The Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 (“the Act”) with respect to the special business set out in the Notice is annexed hereto. Additional information pursuant to Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI LODR] in respect of Director seeking re-appointment at the AGM is annexed as Annexure to this Notice.
2. **A Member entitled to attend and vote at the AGM, is entitled to appoint a proxy to attend and vote instead of himself / herself and a proxy need not be a Member.** The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10 % of the total share capital of the Company, then such proxy shall not act as a proxy for any other person or Member. In case of jointholders, attending the Meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
3. In accordance the Ministry of Corporate Affairs General Circulars Nos. 20/2020 dated May 5, 2020, No. 09 / 2023 dated September 25, 2023 and SEBI Circular Nos. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 and SEBI/HO/CFD/PoD-2/P/CIR/2023/167 dated October 7, 2023, the Notice of the AGM along with the Annual Report for the Financial Year ended March 31, 2024 is being sent only

in electronic mode to those Members whose e-mail addresses are registered with the Company / Link Intime India Private Limited or the Depository Participant(s). Notice and Annual Report for the Financial Year 2023-24 are also available on the website of the Company [www.forbesprecision.co.in/](http://www.forbesprecision.co.in/)

Members who are desirous to have a physical copy of the Annual Report should send a request to the Company's e-mail id viz., [investor.relations@forbesprecision.co.in](mailto:investor.relations@forbesprecision.co.in) clearly mentioning their Folio number / DP and Client ID.

**4. Members are advised to:**

- (a) submit their PAN and bank account details to their respective Depository Participants (DPs) with whom they are maintaining their demat accounts and complete KYC process to keep demat account active.
- (b) contact their respective DPs for registering the nomination, in respect of their shareholding in the Company.
- (c) register / update their mobile number and e-mail address with their respective DPs for receiving communications electronically.
- (d) inform any change in address and bank mandate to DP.

5. Institutional / Corporate Members are requested to send to the Company a scanned copy (pdf/jpg format) of certified Authorisation / Board Resolution with attested specimen signature of the duly authorized signatory(ies) who are authorised to participate in the AGM on their behalf and to vote through remote e-voting to the Scrutinizer by email to [scrutinisers@mmjc.in](mailto:scrutinisers@mmjc.in) with a copy marked to [evoting@nsdl.com](mailto:evoting@nsdl.com)

6. The Company has vide its Circular dated March 26, 2024 to the Members holding shares in physical form had informed that their shares have been transferred to an Escrow Demat Account pursuant to the direction received from BSE Limited that the proposed equity shares be issued in term of "Scheme of Arrangement" shall mandatory be in demat form only. Kindly note that all the Shareholders who were holding shares in physical form in Forbes & Company Limited (Demerged Company) are requested to follow the undernoted procedure to claim their shares in the Company

To claim these fully paid-up Equity Shares from the Escrow Demat Account maintained by the Company, you are requested to submit following documents:

- a. Request letter duly signed by all the shareholders
- b. Form ISR - 4 (Please select the option - Claim from Unclaimed Suspense Account)
- c. Self-attested copy of Client Master List
- d. Self-attested copy of Pan Card for all shareholders
- e. Form ISR - 1 for registration of KYC details if not done earlier
- f. Form SH - 13 or Form ISR - 3

g. Signature Verification as per Form ISR - 2

h. Self-attested copy of address proof

Form of ISR 1, ISR 2, SH-13, ISR-3 and ISR-4 can be downloaded from [www.forbesprecision.co.in](http://www.forbesprecision.co.in)

7. Members are requested to immediately notify the REGISTRARS AND SHARE TRANSFER AGENTS or the DEPOSITORY PARTICIPANTS of any change in their address.

8. Members are requested to update their email address with Depository Participant/Company to enable us to send Annual Report and other communications electronically.

9. As per Regulation 40 of SEBI LODR, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019. Members may please note that SEBI, vide it's Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated Listed Companies to issue securities in demat form only while processing service requests viz. Issue of duplicate securities certificate; claim from Unclaimed Suspense Account; Renewal/Exchange of securities certificate; Endorsement; Sub-division / Splitting of securities certificate; consolidation of securities certificate/folios; Transmission and Transposition. Accordingly, Members are requested to make service by request submitting a duly filled and signed Form ISR-4, the format of which is available on the website of the Company [www.forbesprecision.co.in](http://www.forbesprecision.co.in) and RTA [www.linkintime.co.in](http://www.linkintime.co.in).

Kindly note that any service request can be processed only after the Folio is KYC compliant.

10. Members desiring any additional information/clarification on the Financial Statements are requested to send such requests at the earliest through email on [investor.relations@forbesprecision.co.in](mailto:investor.relations@forbesprecision.co.in) on or before July 21, 2024. The same will be replied by the Company suitably at the AGM.

11. Members desiring inspection of Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act during the AGM may send their request in writing to the Company to [investor.relations@forbesprecision.co.in](mailto:investor.relations@forbesprecision.co.in) by July 21, 2024.

12. The Route Map is annexed in this Notice.

13. The Company has not declared any dividend since incorporation viz. from August 30, 2022. Therefore, the provisions of the Act and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") for transfer of unpaid/unclaimed dividend as well as shares on which dividend remain unpaid/ unclaimed for a period of seven consecutive years to IEPF Account, are not applicable on the Company.




14. National Securities Depositories Limited ("NSDL") will be providing facility for voting through remote e-Voting.



## 15. E-Voting

- I. In compliance with provisions of Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of SEBI LODR, the Company is pleased to provide Members facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means, through e-Voting Services provided by National Securities Depository Limited (NSDL).
- II. The Members who have cast their vote by remote e-voting prior to the AGM may also participate in the AGM physically but shall not be entitled to cast their vote again.
- III. **The remote e-voting period commences on Monday, July 22, 2024 (9:00 am) (IST) and ends on Wednesday July 24, 2024 (5:00 pm) (IST).** During this period Members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of July 18, 2024 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- IV. The process and manner for remote e-voting are as under: [How do I vote electronically using NSDL e-Voting system?](#)  
The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:  
Step 1: Access to NSDL e-Voting system
- A) Login method for e-Voting for Individual shareholders holding securities in demat mode  
In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

**Login method for Individual shareholders holding securities in demat mode is given below:**

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the "<b>Beneficial Owner</b>" icon under "<b>Login</b>" which is available under '<b>IDeAS</b>' section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "<b>Access to e-Voting</b>" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to <b>e-Voting website of NSDL</b> for casting your vote during the remote e-Voting period If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "<b>Register Online for IDeAS Portal</b>" or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</li> <li>Shareholders/Members can also download NSDL Mobile App "<b>NSDL Speede</b>" facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <div style="text-align: center;"> <p><b>NSDL Mobile App is available on</b></p>    </div>

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then user your existing my easi username &amp; password.</li> <li>After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.com">evoting@nsdl.com</a> or call at 022 48867000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33

**B) Login Method for e-Voting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

How to Log-in to NSDL e-Voting website?

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section.

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

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

- Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

**5. Password details for shareholders other than Individual shareholders are given below:**

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
  - a) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - b) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

**6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:**

- a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) Physical User Reset Password? (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.com](mailto:evoting@nsdl.com) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
  8. Now, you will have to click on "Login" button.
  9. After you click on the "Login" button, Home page of e-Voting will open.

**Step 2: Cast your vote electronically on NSDL e-Voting system.**

**How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [scrutinisers@mmjc.in](mailto:scrutinisers@mmjc.in) with a copy marked to [evoting@nsdl.com](mailto:evoting@nsdl.com). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on.: 022 48867000 or send a request to Mr. Amit Vishal or Ms. Pallavi Mhatre at [evoting@nsdl.com](mailto:evoting@nsdl.com)/

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e-mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to investor.relations@forbesprecision.co.in/
2. In case shares are held in demat mode, please provide DPID- CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to investor.relations@forbesprecision.co.in. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively shareholder/members may send a request to evoting@nsdl.com/ for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON**

**A. Other Instructions:**

- I. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of July 18, 2024 as per the Register of Members/Statements of beneficial ownership maintained by the Depositories, i.e., NSDL and CDSL. Any person, who acquires shares of the Company and becomes a member of

the Company after dispatch of the Notice and holds shares as of the cut-off date i.e. July 18, 2024, may obtain the login ID and password by sending a request at evoting@nsdl.com or rnt.helpdesk@linkintime.co.in.

However, if you are already registered with NSDL for remote e-Voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/ Password” option available on www.evoting.nsdl.com or contact NSDL at 022 48867000.

- II. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- III. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting or casting vote.
- IV. MMJB & Associates LLP, Practicing Company Secretaries has been appointed as the Scrutinizer for providing facility to the Members of the Company to scrutinize the remote e-voting process and casting vote through the e-voting system during the meeting in a fair and transparent manner.
- V. The Scrutinizer shall after the conclusion of voting at the AGM, will first download the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- VI. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed at the date of AGM.

**ANNEXURE TO NOTICE****Statement Pursuant to Section 102 (1) of the Companies Act, 2013 (“Act”)**

**The following explanatory statement sets out material facts relating to the special business set out in the accompanying Notice of Annual General Meeting (“AGM”):**

**Item No. 3 & 4**

The Hon’ble Mumbai Bench of National Company Law Tribunal (NCLT) had passed an Order dated February 9, 2024 approving the Scheme of Arrangement between Forbes & Company Limited (Demerged Company) and Forbes Precision Tools and Machine Parts Limited (Resulting Company) and their respective Shareholders for demerger of the ‘Precision Tool Business’ into Forbes Precision Tools and Machine Parts Limited. Certified copy of the NCLT Order dated February 9, 2024 was received on February 22, 2024. The appointed date of the Scheme was April 1, 2023 and the Scheme became operative from the effective date of March 1, 2024.

The Cost Audit of the ‘Precision Tool Business’ was conducted in Forbes & Company Limited by M/s. Kishore Bhatia & Associates, Cost Accountants for 11 months April 1, 2023 to February 29, 2024. Since the appointed date of the Scheme of Arrangement was April 1, 2023 and upon vesting of ‘Precision Tool Business’ in the Company, it would be required to undertake the cost audit of the ‘Precision Tool Business’ for the Financial Year 2023-24.

The Board of Directors have also approved the appointment of M/s. Kishore Bhatia & Associates, Cost Accountants (Firm Registration No. 00294) as cost auditors of the Company at a remuneration of ₹ 2.5 Lakhs plus applicable taxes and out of pocket expenses for the financial year ending March 31, 2024 and March 31, 2025.

In accordance with the provisions of Section 148 of the Act, read with The Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor has to be ratified by the Members of the Company.

Accordingly, consent of the Members is sought for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2024 and March 31, 2025.

None of the Directors or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the Resolution at Item No. 3 and 4 of the Notice.

The Board recommends the passing of this Resolution at Item No. 3 and 4 of the accompanying Notice in the interest of the Company.

**By Order of the Board****Rupa Khanna**

Company Secretary & Compliance Officer  
Membership No. A33322

Mumbai, May 6, 2024

**Registered Office:**

Forbes’ Building, Charanjit Rai Marg, Fort, Mumbai 400 001

Tel: +91 22 6913 8900

Email: investor.relations@forbesprecision.co.in

CIN: U29256MH2022PLC389649

Website: www.forbesprecision.co.in/



**Details of Director whose re-appointment is proposed at the forthcoming Annual General Meeting**

**[Pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 applicable and provisions of Secretarial Standards - 2]**

<b>Name of Director</b>	Mr. Jai Mavani	
<b>Director Identification Number (DIN)</b>	05260191	
<b>Date of Birth</b>	September 4, 1971	
<b>Date of first Appointment on Board</b>	March 30, 2024	
<b>Qualification</b>	B.Com, ACA	
<b>Relationships between directors inter-se</b>	Not related to any Director/Key Managerial Personnel of the Company.	
<b>Expertise in specific functional areas</b>	He has worked with firms like Arthur Andersen, KPMG and PWC and has industry specialization in Infrastructure, Real Estate and Private Equity and his skills include fund raising, business structuring, Mergers & Acquisitions, tax and regulatory and investment. He has skills and expertise in Fund raising, business structuring, Finance and Tax, Mergers and Acquisition and Business Governance	
<b>List of Directorship held in other listed companies in India (excluding Private and Section 8 Companies)</b>	Mr. Jai Mavani is Director of following Public Companies: - Gopalpur Ports Limited - Forbes & Company Limited - Forbes Technosys Limited	
<b>Listed companies from which the Director has resigned in the past 3 (three) years</b>	Nil	
<b>Chairmanship/Membership of the Committees of Audit Committee and Stakeholders Relationship Committee of other Indian Public Companies</b>	Nil	
<b>Terms and Conditions of re-appointment</b>	Non-executive Director, liable to retire by rotation.	
<b>No. of shares held in the Company</b>	8123	
<b>Attendance at the Board Meeting in the Financial Year 2023-2024</b>	No. of Meetings held	Attended
	6	Appointed with effect from March 30, 2024
<b>Details of remuneration</b>	Not Applicable	

**By Order of the Board**

**Rupa Khanna**

Company Secretary & Compliance Officer  
Membership No. A33322

Mumbai, May 6, 2024

**Registered Office:**

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## REPORT OF BOARD AND MANAGEMENT DISCUSSION AND ANALYSIS

Dear Members,

The Board of Director of **Forbes Precision Tools and Machine Parts Limited** hereby submit their 2<sup>nd</sup> Annual Report of the business and operations of the Company along with the Audited Financial Statements of the Company for the Financial Year (FY) ended March 31, 2024.

### Financial Results and Highlights of Performance

The Company's performance, as per Indian Accounting Standards (IND AS), during the Financial Year under review is summarized as follows:

₹ in Lakhs

Particulars	FY 23-24 *	FY 22-23
Revenue and Other Income (Total Income)	22,955.60	-
Earnings before Finance Cost, Depreciation and Tax	5,243.48	(1.18)
Profit / (Loss) after Finance Cost, Depreciation and before Tax	3,983.03	(1.18)
Profit before Tax (PBT)	3,983.03	(1.18)
Profit/(loss) after tax for the year from continuing operations	2,971.11	(1.18)
Tax Expense	1,011.92	-
Profit/(Loss) for the year	2,971.11	(1.18)
Other Comprehensive Income (net of tax)/(Loss)	6.29	-
Total Comprehensive Income	2,977.40	(1.18)
Earnings Per Share - Basic and Diluted (₹) (Continuing operation)	₹ 110.63	(2.35)
Earnings Per Share - Basic and Diluted (₹) (Discontinued operations)	₹ 110.63	(2.35)
Paid up Shares (each paid up ₹ 10) as on end of respective period	51,594,464	50,000

Note: The above figures are extracted from Financial Statements as per Indian Accounting Standard ("IND AS") and are prepared in accordance with the principles stated therein as prescribed by the Ministry of Corporate Affairs under section 133 of the Companies Act, 2013 ("Act") read with relevant rules issued therein.

\* The results are not comparable because your Company has been incorporated on August 30, 2022 and had little or no operations till March 1, 2024 (being the Effective date). However, in view of the provisions of the Companies Act read along with the Order dated February 9, 2024 passed by Honorable National Company Law Tribunal approving the Scheme of Arrangement. Your Company is required to report the operations from April 1, 2023 (Appointed Date) to March 1, 2024 (Effective date) as its own operations even though the physical transactions were conducted with the legal entity, Forbes & Company Limited (Demerged Company).

## Management Discussion & Analysis of Financial Conditions, Results of Operations and State of Company Affairs

### General Performance and Outlook

The overall macro environment for India has been much better than many or most of the developed and the developing economies. There have been setbacks like continuation of regional conflicts with some parts of the world, and its consequent impacts on the respective currencies, interest rates, access to those markets and commodity prices which may have created some negative influences. However, as it seems today, the inherent strength of India economy coupled with the incentivization and promotion of industry by the Government has been a solid positive and the driver of the Indian economy and we expect the approach and the trend to continue.

This period is also a year of central elections for India and the outcome of the same would largely determine the continuation or speeding up of the economic drive. However, with a real GDP Projected to grow at 7.3% in FY 2023-24 and capital expenditure outlay increasing 11% to 11,11,111 crores at 3.4% of GDP and FDI inflows ever increasing, fiscal deficit at 5.1% of GDP, the trend seems to be in favour of and striving for optimum levels of growth. The direction of the Government as stated is to ensure upliftment of the poor, women, youth and farmer with a focus on development that is all-round, all-pervasive and all-inclusive. With such a self adopted mandate the future looks promising and rewarding.

### Performance and outlook

During the year under consideration, your Company has seen many actions of consolidation and these are discussed hereunder followed by the discussion on results.

The demerged business allows your Company's Management to focus specifically on the core and growth oriented businesses, namely Precision Tools. During the year, major actions have been taken in various areas and the key points are being summarized hereunder for the better understanding of all its stakeholders.

- Your Company has been incorporated on August 30, 2022 as a wholly owned subsidiary of Forbes & Company Limited to carryout the Precision Tools business after approval and implementation of the Scheme. Subsequently to the before receipt of all relevant approvals, it will also be listed on BSE Limited, the application for which has already been made.
- Your Company had approved the Scheme of Arrangement ("Scheme") between the Forbes & Company Limited ("FCL" or the "Demerged Company") and Forbes Precision Tools and Machine Parts Limited ("FPTL" or the "Resulting Company") and their respective shareholders under Section 230 to 232 of the Companies Act, 2013 and other applicable provisions and the Rules framed thereunder. This Scheme is a Scheme of Arrangement involving demerger of Precision Tools business of the Forbes & Company Limited into Forbes Precision Tools and Machine Parts Limited. The Scheme is subject to necessary approvals by the Stock Exchanges, Securities and Exchange Board of India, Shareholders and Creditors of the Company, as may be applicable, Jurisdictional Bench of National Company Law Tribunal ("NCLT") and such other statutory and regulatory approvals as may be required.

- During the FY 2023-24, The Hon'ble Mumbai Bench of National Company Law Tribunal (NCLT) granted its approval to the Scheme of Arrangement as filed by Forbes & Company Limited vide order dated February 09, 2024. The Appointed Date as per the Scheme was April 01, 2023 and the Effective Date of the Scheme was March 01, 2024 and consequently, all the operations of Precision Tool Business are now a part and parcel of your Company.

The relevant documents for obtaining in-principal approval for listing been submitted to BSE Limited and Securities and Exchange Board of India.

- For the information of shareholders, the following assets (at book value) were a part of the Scheme of Arrangement which moved from Forbes & Company Limited to your Company on April 01, 2023. The details are summarized hereunder

(Amounts in ₹ lakhs)

<b>Current Assets</b>	
Inventories	3,115.25
Net Receivables	2,236.80
Others	649.90
<b>Total</b>	<b>6,001.95</b>
<b>Non-Current</b>	
In the nature of Fixed Assets	8,731.38
Financial Assets	81.64
Other non-current	234.57
<b>Total</b>	<b>9,047.59</b>
<b>Liabilities</b>	
Borrowings	1,256.20
Lease Liability	30.81
Trade and other Liabilities	2,968.41
<b>Total</b>	<b>4,255.43</b>
<b>Net Worth</b>	<b>10,794.10</b>

On the Effective date of the Scheme of Arrangement 485 Nos of employees of the Forbes & Company Limited were transferred to the Company.

### Precision Tools business

Precision Tools business achieved a reasonable 12% year-on-year growth, however, accompanied by significant profit improvement despite encountering challenges in international markets due to the geopolitical crisis in Middle East and Europe, impacting our operations in Russia, Israel and Europe.

Our investment strategies yielded substantial returns, particularly evident in the doubling of our High-Speed Drills portfolio in the last fiscal year. Centre drill manufacturing set up was installed successfully with substantial capacity thereby increasing the product range within the High-Speed Steel Drills portfolio. Further, the

acquisition of international accounts in the Far East and Americas contributed significantly to the revenue, while simultaneously enhancing our market share domestically.

The growth trajectory extended to our flagship High Speed Steel Taps business, which expanded across various segments with the addition of new customers in the export market. Strengthening our product development capabilities and operational efficiencies allowed us to offer innovative technological solutions for emerging applications. Investments in new technology, which will become operational in current financial year will further broaden our Carbide Taps portfolio, drawing increased market interest in this segment.

Our commitment to advancing technology and fortifying the supply chain ensures that we meet the evolving quality and supply demands of our customers. Continued investments in new technology, machinery, and software systems facilitate accelerated product development with consistency and precision.

Efforts to elevate brand visibility and product promotion through domestic and international exhibitions were fruitful, with engagements at EMO at Hannover, Engimech at Gandhinagar, and Hand Tools Expo at New Delhi. These initiatives aimed to keep customers informed about our latest offerings, particularly in high-end threading and long drilling solutions.

The Precision Tool portfolio made significant strides in penetrating key accounts and developing channel partners to meet future growth requirements. Our cutting tools portfolio garnered widespread acceptance across multiple sectors, including Aerospace, Defense,

Die & Mould, Valve Industries, and Auto component manufacturing. Successful demonstrations of product superiority enabled us to secure long term relationships with focus key accounts.

In response to inflated input costs, we implemented price increases across our portfolio, which we were able to successfully pass on to our customers. Strong measures in supply chain management and volume-based negotiations further contributed to the improved profitability. We continue to explore and innovate our product portfolio for various product groups, and we continually seek to introduce new products in all possible geographies in and outside India.

The overall export market has not been very encouraging and despite volume drops from Russia, Israel and Europe, our CS Taps & Carbide Rotary Burrs business exhibited decent double-digit growth, underscoring our resilience in the face of market fluctuations.

Our business remains aligned with emerging opportunities in India's Défense, Railways, and electronic industries through the Make in India initiatives. Channel sales play a pivotal role in our growth strategy, with expansions facilitated by the appointment of channel partners in previously unrepresented territories. We believe this India opportunity is vast and it will be a test of our sales channel ability to extract the best from this markets which will limit the growth. International sales efforts focus on targeted geographies, complemented by product development tailored for markets such as South Americas, GCC, the Far East etc. with focus on large contracts with well recognised Brands operating across the globe.

### Key Financial performance, Operational Information and Ratio Analysis

Key Ratios/ Indicators	Standalone		Explanation for change of 25% or more
	FY 23-24	FY 22-23*	
Debtors Turnover (in days)	23.51	-	New business activity. No explanation provided as Previous year figures do not exist to provide an explanation to variation.
Interest Coverage Ratio	35.38	-	
Operating Profit Margin %	18%	-	
Return on Net Worth	23%	-	

\* There were no business operations during the FY 2022-23 and are hence not comparable and therefore the figures for the earlier years not presented.

#### Revenue

During the year Company has achieved total standalone revenue (including other income) of ₹ 22,955.60 Lakhs (previous year ₹ nil). Standalone EBIDTA is ₹ 5243.48 Lakhs (previous year ₹ (1.18) Lakhs), a significant increased mainly as the activity started this financial year.

#### Profit/(Loss) Before Tax ("PBT")

Consequent to the above, during the year standalone PBT is ₹ 3983.03 Lakhs (previous year ₹ (1.18) Lakhs)

#### Profit / (loss) After Tax

The tax liability for the year was computed ₹ 1,011.92 Lakhs and the resultant profit after tax was ₹ 2,971.11 Lakhs (previous year ₹(1.18) Lakhs)

#### Total Comprehensive Income / (Loss)

During the year standalone profit after other comprehensive income is ₹ 2,977.40 Lakhs (previous year ₹ (1.18) Lakhs)

#### Fixed Assets:

During the year Gross Block is ₹ 22,571 Lakhs (previous year ₹ Nil) on account of Scheme of Arrangement.

## **Borrowing**

Total standalone borrowing is ₹ 542.40 Lakhs (previous year ₹ nil) as a result of the Scheme of Arrangement.

## **OPPORTUNITIES & RISKS**

Our success as an organization depends on our ability to identify opportunities and leverage them while mitigating the risks that arise while conducting our business. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. Some of the opportunities and key risks, anticipated impact on the Company and mitigation strategy is as follows:

### **Market Development**

Your Company monitors external market trends and collates consumer insights to develop category and brand strategies.

The Company actively searches 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.

The Company is dedicated to ensuring that its vendors, suppliers, contractors etc. work in a healthy and safe environment while delivering on the expected standard.

Given our dependency on Automotive sector, one more aspect of risk is the way the development of this industry will evolve due to the Electric initiatives of the sector. The trends of this industry moving to different fuel options will impact the demand of the consumer and we will have to align ourselves and remain abreast of the happenings to be able to have an important share in contributing to this aspect.

### **Political and Global Uncertainty**

Political uncertainty or volatile economic uncertainty may adversely affect the reduced demand and could restrict revenue growth opportunities.

The Company has broad based diversified businesses catering to various industry segments and diverse markets and hence may not get affected by such uncertainty.

### **Legal and Regulatory**

Compliance with laws and regulations is an essential part of your Company's business operations. We are subject to laws and regulations in diverse areas as product safety, product claims, trademarks, copyright, patents, competition, employee health and safety, the environment, Water and Air Pollution, corporate governance, listing and disclosure, employment, and taxes. Frequent changes in legal and regulatory regime and introduction of newer regulations with multiple authorities regulating same areas lead to complexity in compliance. We closely monitor and review our practices to ensure that we remain compliant with relevant laws and legal obligations.

### **Systems and Information**

Your Company's operations are increasingly dependent on IT systems and the management of information.

Increasing digital interactions with customers, suppliers and consumers place even greater emphasis on the need for secure and reliable IT systems and infrastructure, and careful management of the information that is in our possession.

The cyber-attack threat of unauthorized access and misuse of sensitive information or disruption to operations continues to increase.

To reduce the impact of external cyber-attacks impacting our business, we have sufficient security measures including firewalls and threat monitoring systems in place, complete with immediate response capabilities to mitigate identified threats. Our employees are trained to understand these requirements.

### **Energy Management**

The Company's factories consume power for the manufacturing and for the purpose of air cooling. The Company identifies it as a critical resource and gives it due attention to optimize its use including using green source like solar power etc. The Company has initiated over the year installation of solar system within its factory. Though this has met only partial demand, attempts have been made to look at the opportunity and enlarge the scope of such coverage.

### **Internal control systems and their adequacy**

The Company has already initiated to install an internal control system, which ensures that all transactions are recorded satisfactorily and reported and that all assets are protected against loss from unauthorized use or otherwise. The internal control systems are supplemented by an internal audit system. The findings of such internal audits will be periodically reviewed by the management and suitable actions taken to address the gaps, if any. The Audit Committee of the Board will meet at regular intervals to address significant issues raised by both the Internal Auditors and the Statutory Auditors. The process of internal control and systems, statutory compliance, information technology, risk analysis and risk management are inter-woven to provide a meaningful support to the management of the business.

M/s Sharp & Tannan Associates, the Statutory Auditors of the Company has audited the financial statements included in this annual report and has issued a report on our internal financial controls over financial reporting as defined in Section 143 of the Act.

### **Material Development in Human Resources and Industrial Relations**

The fiscal year 2023-24 started with promising business results across all the Product Categories. The focus of Human Resources Function was in the areas of Safety, Health & wellbeing of the employees, Talent Acquisition, Performance Management, Capability Development for making future ready organization. New joinces have undergone the induction program for their integration with the culture, values systems of the Company. Performance Management System workshop was conducted for aligning functional Key Result Areas and Performance Indicators in line with annual business plan. People Capability Development programs were organized to strengthen employee competence and improve productivity. The Leadership Development Program for the some Leaders & Managers was conducted to strengthen competence in Change Management,



Collaborative working, Customer Centricity & Driving Execution. In addition, Value Selling and Customer Centricity training program was also conducted for the sales professionals for the competency development in value selling and Channel Management.

While on the subject, the Board specifically thanks its employees, its union and the Management who have worked cordially and peacefully, leveraging the synergies the operations offer. The Company also signed a 5 year labour settlement agreement which shall now be valid till end of 2028.

#### **Investment in Subsidiaries/Joint Ventures**

Presently the Company does not have any subsidiaries nor joint ventures

#### **Dividend & Transfer to Reserves**

This being the first year of operations (FY 2023-24) your company has decided to preserve its resources and has hence not recommended any Dividend for the current financial year under review. No amount has been transferred to the reserves during the year.

#### **Share Capital**

The paid-up Equity Share Capital of the Company is increased from ₹ 5 Lakhs divided into 50,000 Equity shares of ₹ 10 each to ₹ 5,159.45 Lakhs divided into 5,15,94,464 equity shares of ₹10 each pursuant to the Scheme of Arrangement.

The existing paid up equity share capital of the Company comprising of 50,000 equity shares of ₹ 10 each were cancelled pursuant to the order passed by the Hon'ble Mumbai Bench of National Company Law Tribunal (NCLT).

The Authorised Share Capital of the Company is increased from ₹ 5 Lakhs divided into 50,000, Equity Shares of ₹ 10 each to ₹ 7800 Lakhs (divided into 7,80,00,000 Equity Shares of ₹ 10 each.

During the year under review, the Company has not issued any other shares with differential voting rights or sweat equity shares and has not granted any stock options.

#### **Finance**

The Board is pleased to inform the stakeholders that the Company is Net Debt Free as on March 31, 2024. The Company will continue to focus on judicious management of its working capital. Relentless focus on receivables, inventories, strict cost control and use of alternative borrowing instruments, where possible, and the sale of assets has helped in keeping the borrowings and effective interest cost under control.

#### **Deposits**

The Company has not accepted deposits from public falling within the ambit of Section 73 of the Act and The Companies (Acceptance of Deposits) Rules, 2014.

#### **Particular of loans, guarantees and investments**

Particular of Loans, Guarantees and Investments covered under provisions of section 186 of the Act are given in the notes to the Financial Statements, if any.

#### **Related Party Transactions**

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. There were no material related party transactions made by the Company with Promoters and Directors, which may have a potential conflict with the interest of the Company at large.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website.

#### **Vigil Mechanism/Whistle Blower Policy**

Pursuant to provision of Section 177 of the Act and Regulation 22 of SEBI LODR, the Board has established a vigil mechanism for the Directors and employees of the Company to report genuine concerns about unethical behaviour actual or suggested fraud or violation of the Company's Code of Conduct or ethics with effect from April 1, 2024. The Company has in place Whistle Blower Policy to provide mechanism for Director or employee of the Company to approach the Chairman of the Audit Committee. The Policy is also available on the website of the Company.

#### **Remuneration Policy**

The Board has on the recommendation of the Nomination and Remuneration Committee, framed a policy for selection and appointment of Directors, senior management personnel and their remuneration. Remuneration Policy of the Company acts as a guideline for determining, inter alia, qualification, positive attributes and independence of a Director, matters relating to the remuneration, appointment, removal and evaluation of the performance of the Director, Key Managerial Personnel and senior managerial personnel. Nomination and Remuneration Policy is annexed as Annexure "I" to this report.

#### **Business Responsibility and Sustainability Report**

The requirements under Regulation 34 (2)(f) and the proviso thereof of the SEBI (Listing Obligations and Disclosure Requirements), 2015 is not applicable to the Company as the Company was unlisted public Company during the FY 2023-24.

#### **Internal Complaints Committee**

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace as per with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules thereunder for prevention and redressal of complaints of sexual harassment at workplace. Internal Compliant Committee (ICC) has been setup to redress complaints received regarding sexual harassment as per Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the ICC includes external member. During FY 2023-24, no complaints on sexual harassment were received.

#### **Corporate Governance and Management Discussion and Analysis**

The guiding principle of the Code of Corporate Governance is 'harmony' i.e., balancing the need for transparency with the need

to protect the interest of the Company and balancing the need for empowerment at all levels with the need for accountability. A detailed report on Corporate Governance forms part of Annual Report. The 'Management Discussion and Analysis' forms part of this report.

### **Corporate Social Responsibility (CSR)**

The provisions of Section 135 of the Companies Act, 2013 related to Corporate Social Responsibility were not applicable on the Company for the year under review.

### **Risk Management**

The Company is presently unlisted and there is no mandatory requirement for formation of the Risk Management Committee. This role is however being undertaken by the Board of Directors within the Board meetings.

### **Significant and Material Orders Passed by the Regulators or Courts**

There are no significant material orders passed by the Regulators / Courts, other than Scheme of Arrangement already mentioned earlier, which would impact the going concern status of the Company and its future operations.

### **Directors and Key Managerial Personnel**

As per provisions of Section 152(6) of the Act, Mr. Jai Mavani (DIN: 05260191) is due to retire by rotation at the ensuing Annual General Meeting and being eligible, seeks re-appointment. The Board of Directors recommends his re-appointment as Director of the Company.

Mr. D. Sivanandhan, Ms. Rani Jadhav and Mr. Nikhil Bhatia were appointed as Non Executive, Independent Directors with effect from March 30, 2024 for a term of 3 Years and are not liable to retire by rotation.

Mr. Marzin R. Shroff and Mr. Jai Mavani were appointed as Non-Executive, Non Independent Director with effect from March 30, 2024 and are liable to retire by rotation.

Mr. Mahesh C. Tahilyani was appointed as Managing Director with effect from April 1, 2024 for a period of 3 years.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of Independence as prescribed both under the Act and SEBI LODR and there has been no change in the circumstances which may affect their status as Independent Directors during the year.

All Independent Directors have registered themselves with the Indian Institute of Corporate Affairs for the inclusion of their name in the data bank of independent directors, pursuant to the provision of Rule 6 (1) of Companies (Appointment and Qualification of Directors) Rules, 2014. Further, they have confirmed that they shall comply with other requirements, as applicable under the said rule.

During the year under review, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company. One of the Directors holds 8128 Equity shares of the Company and is entitled to all rights and obligations as of other shareholders.

Independent Directors are familiarized with their roles, rights and responsibilities in the Company.

Further Mr. Ravinder Prem, Mr. Nirmal Jagawat and Ms. Rupa Khanna ceased to be Director of the Company with effect from the closure of business hours of March 31, 2024.

As on date of this report, Mr. Mahesh C. Tahilyani, Managing Director, Mr. Vikram Nagar, Chief Financial Officer and Ms. Rupa Khanna, Company Secretary & Compliance Officer are the Key Managerial Personnel of the Company appointed with effect from April 1, 2024.

### **Audit Committee of the Board of Directors**

The details pertaining to the composition of the Audit Committee of the Board of Directors are included in the Corporate Governance Report which forms part of this report.

### **Meetings of the Board**

The Board met at least once in each quarter and 6 (six) meetings of the Board were held during the year and the maximum time gap between two Board meetings did not exceed the time limit prescribed in the Act. The details have been provided in the Corporate Governance Report.

### **Directors' Responsibility Statement**

Pursuant to the provisions of Section 134(5) of the Act, the Directors, based on the representations received from the operating management, confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- (iii) they have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of this Act, for safeguarding the assets of the Company and detecting fraud and other irregularities;
- (iv) they have prepared the annual accounts on a going concern basis;
- (v) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- (vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### **Audit Report**

There are no qualifications stated in the audit report and hence there is nothing specific to comment on the Audit Report, other

than the comments mentioned in the report itself, which are self-explanatory.

## Auditors and Audit Report

### Statutory Auditors

Pursuant to the provisions of section 139 of the Act read with the Companies (Audit and Auditors) Rules, 2014, M/s Sharp & Tannan Associates (ICAI Firm Registration No.109983W) are Statutory Auditors of the Company till the conclusion of the 5<sup>th</sup> Annual General Meeting of the Company.

The Audit Report forms part of the Annual Report. The Auditors have referred to certain matters in their report on Financial Statements to the shareholders, which read with relevant notes forming part of the accounts, is self - explanatory.

### Cost Auditors

The Cost Audit for 'Precision Tool Business' was conducted by Kishore Bhatia & Associates the Cost Auditor of Forbes & Company Limited for 11 months April 1, 2023 to February 29, 2024. Since the appointed dated of the scheme of arrangement was April 1, 2023 the Company would be required to undertake the cost audit for the 'Precision Tool Business' for the Financial Year 2023-24 from Kishore Bhatia & Associates.

As on the date of the report the Board of Directors of the Company have, on the recommendation of the Audit Committee, appointed M/s. Kishore Bhatia & Associates, Cost Accountants, as Cost Auditors for the FY 2023-24 and 2024-25 on a remuneration of ₹ 2.5 lakhs plus applicable taxes and out of pocket expenses for each financial year i.e 2023-24 and 2024-25.

### Secretarial Audit

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed MMJB & Associates LLP, Practicing Company Secretaries, to undertake the Secretarial Audit of the Company. The Report of the Secretarial Auditor is annexed herewith as **Annexure 'II'**.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark or disclaimer.

### Secretarial Standards

The Company has complied with the applicable provisions of the Secretarial Standards issued by the Institute of Company Secretaries of India.

### Particular of Employees and Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

- (a) The information required pursuant to Section 197 of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided

upon request. In terms of Section 136 of the Act, the Report and Accounts are being sent to the Members, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during the business hours on working days of the Company. Any member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

- (b) Information relating to the Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo stipulated under Section 134(3)(m) of the Act read with Rule 8 of The Companies (Accounts) Rules, 2014 is annexed herewith as **Annexure 'III'**.

### Annual Return

Pursuant to section 92(3) read with section 134(3)(a) of the Act, the Annual Return as on March 31, 2024 is available on the website of the Company viz. [www.forbesprecision.co.in](http://www.forbesprecision.co.in)

### Insolvency and Bankruptcy Code 2016

During the financial year, neither any application nor any proceeding is initiated against the Company under the Insolvency and Bankruptcy Code 2016.

### Settlement with Banker or Financial Institutions

During the financial year no settlements were made by the Company with any Banks or Financial Institutions.

### Cautionary Statement

Statements in the Board's Report and the Management Discussion & Analysis describing the Company's objectives, expectations or forecasts may be forward-looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global and domestic demand and supply, input costs, availability, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

### Acknowledgements

Your Directors acknowledge and thank all stakeholders of the Company viz. customers, members, employees, dealers, vendors, banks and other business partners for their valuable sustained support and encouragement. Your Directors look forward to receiving similar support and encouragement from all stakeholders in the years ahead.

### For and on behalf of the Board

**Marzin R. Shroff**

Chairman

DIN: 00642613

Mumbai, May 6, 2024

## NOMINATION AND REMUNERATION POLICY REGULATORY FRAMEWORK

### REGULATORY FRAMEWORK

#### I SECTION 178 OF THE COMPANIES ACT, 2013

- The Nomination and Remuneration Committee shall 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 Carry out evaluation of every Directors performance.
- The Nomination and Remuneration Committee shall 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.
- The Nomination and Remuneration Committee shall, while formulating the policy as aforesaid shall 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:

#### II SEBI (Listing Obligations & Disclosure Requirements), Regulations 2015

Schedule II Part D of Regulation 19 of the SEBI (Listing Obligations & Disclosure Requirements), Regulations 2015 (SEBI LODR) provides that role of Nomination and Remuneration Committee shall, inter-alia, include the following:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- For every appointment of an independent director, the Nomination and Remuneration Committee shall 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. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee 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.

- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- 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.
- 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.
- Recommend to the board, all remuneration, in whatever form, payable to senior management.
- Carrying out any other functions as may be delegated by the Board of Directors of the Company, as provided under the Companies Act, the SEBI LODR or any other applicable law, as and when amended from time to time

The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

#### DEFINITIONS & INTERPRETATION

In this Policy unless the context otherwise requires:

**Act** shall mean the Companies Act, 2013.

**Board** shall mean Board of Directors of the Company. (Forbes Precision Tools and Machine Parts Limited).

**Charter** shall mean Charter for Performance Evaluation of the Directors, Committees and Board of Directors adopted by the Board of Directors of the Company as amended from time to time.

**KMPs or Key Managerial Personnel** shall mean following:

- a. Managing Director (MD), or Chief Executive Officer or Manager and in their absence, Whole time Director;
- b. Company Secretary; and
- c. Chief Financial Officer

**NRC** shall mean Nomination and Remuneration Committee.

**Senior Management** shall mean the officers and personnel of the listed entity who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the Company Secretary and the Chief Financial Officer.”

## INTERPRETATION

- i. The provisions of the Act and the SEBI LODR shall be deemed to have been mutatis mutandis specifically incorporated in this Policy and in case any of the provision of this Charter is inconsistent with the provisions of Act and/or the SEBI LODR, the provisions of Act and/or the SEBI LODR shall prevail.
- ii. The capitalized words not specifically defined in the Policy shall have the same meaning as under the Act or the SEBI LODR or the Charter.
- iii. For interpretation of this Policy, reference and reliance may be placed upon circulars/clarifications issued by the Ministry of the Corporate Affairs or SEBI and/or any other authority.

## OBJECTIVES

The Objective of this Policy is to act as a guideline for determining, inter-alia, qualifications, positive attributes and independence of a Director, matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, KMPs, Senior Management Personnel and includes:

- Ensuing that 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;
- Ensuing that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- Ensuing that the remuneration to Directors, KMPs, and other Senior Management Personnel of the Company involves a fine balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;
- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-executive) and persons who may be appointed in Senior Management, KMPs and to determine their remuneration;
- To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in the industry;
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage; and
- To lay down criteria for appointment, removal of directors, KMPs and Senior Management Personnel and evaluation of their performance.

## FUNCTIONS OF NOMINATION AND REMUNERATION COMMITTEE

The NRC shall, inter-alia, perform the following functions:

- Identify persons who are qualified to become Directors in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall Carry out evaluation of every Directors performance.;

- 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;
- Determine the criteria for selection, attributes and broad parameters for appointment of KMPs, evaluation and measurement of performance of KMPs and to recommend appointments of KMPs to the Board.
- Determine the criteria for selection, compensation structure, evaluation and measurement of performance of Senior Management Personnel.
- Ensure that the Board comprises of a balanced combination of Executive Directors and Non-Executive Directors and also the Independent Directors;
- Devise framework to ensure that Directors are inducted through suitable familiarization process covering their roles, responsibility and liability;
- Oversee the formulation and implementation of ESOP Schemes, its administration, supervision, and formulating detailed terms and conditions in accordance with SEBI Guidelines;
- Devise a policy/criteria on Board diversity;
- The NRC shall assist the Board in ensuring that plans are in place for orderly succession for appointments to the Board and to senior management; and
- Set up mechanism to carry out its functions and is further authorized to delegate any / all of its powers to any of the Directors and / or officers of the Company, as deemed necessary for proper and expeditious execution.

## APPOINTMENT OF DIRECTORS

- The NRC shall ensure that Board has appropriate balance of skills, experience and diversity of perspectives that are imperative for the execution of its business strategy, and consider various factors including but not limited to skills, industry experience, background, race and gender for balanced and diversified Board.
- The NRC shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMPs and recommend to the Board his/her appointment.
- An Independent Director shall also have experience and knowledge in one or more fields of finance, law, management, marketing, sales, administration, corporate governance, or any other disciplines related to the business of the Company.
- Appointment of Independent Directors shall be subject to compliance of provisions of section 149 of the Companies Act, 2013, read with schedule IV and rules thereunder. An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re- appointment on passing of a special resolution by the Company and disclosure(s) of such appointment in the Board's report. No Independent Director shall hold office



for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

- The NRC shall recommend appointment or re-appointment of Managing Director (MD) for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
- The NRC may recommend, to the Board with reasons recorded in writing, removal of a Director, KMPs or Senior Management Personnel subject to the provisions of the Companies Act, 2013, and all other applicable Acts, Rules and Regulations, if any.
- The Directors, KMPs and Senior Management Personnel shall retire as per the applicable provisions of the Regulations and the prevailing policy of the Company. The NRC shall from time to time recommend, review and revise, if required the retirement policy for Directors, KMPs and Senior Management Personnel.
- The Board will have the discretion to retain the Director, KMPs and Senior Management Personnel in the same position/remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.
- The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.

#### **REMUNERATION OF MD**

- The remuneration/ to the Managing Director will be determined by the NRC and recommended to the Board for approval. The remuneration/ compensation/profit-linked commission etc. shall be in accordance with the percentage/ slabs/conditions laid down in the Articles of Association of the Company, Act and shall be subject to the prior/post approval of the members of the Company and Central Government, wherever required.
- Increments to the MD should be within the slabs approved by the members and shall be made after taking into consideration the Company's overall performance, MD's contribution for the same, trends in the industry in general and in a manner which would ensure and support a high performance culture. The MD shall be eligible for remuneration as may be approved by the members of the Company on the recommendation of the NRC and the Board of Directors. The break- up of the pay scale, performance bonus and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the NRC and shall be within the overall remuneration approved by the members and Central Government, wherever required. If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its MD in accordance with the provisions of the Companies Act, 2013 and if it is not able to comply with such provisions, then with the approval of the Central Government.

- The Remuneration to MD shall involve a balance between fixed and incentive pay reflecting short and long term performance and objectives appropriate to working of the Company and its goals.
- The Non-Executive Directors (Including Independent Directors) of the Company shall be paid sitting fees as per the applicable Regulations as approved by the Board from time to time. The boarding and lodging expenses of Directors for attending meetings shall be reimbursed to the Directors based out of Mumbai.
- The profit-linked Commission shall be paid within the monetary limit approved by the members of the Company subject to the same not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Regulations.
- Pursuant to the provisions of the Act, an Independent Director shall not be entitled to any stock option of the Company.
- Only such employees of the Company and its subsidiaries as approved by the NRC will be granted ESOPs.

#### **FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS**

- Company's Corporate Profile, Organizational structure, the latest Annual Report, Code of Conduct, Policies and Charters applicable to Directors shall be provided to all Directors at the time of joining.
- A detailed Appointment Letter incorporating the role, duties and responsibilities, remuneration and performance evaluation process, code of conduct and obligations on disclosures shall be issued to the Independent Directors.
- The company shall provide suitable training to Independent Directors/Non-Executive Directors to familiarize them with the company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc. and they shall be formally introduced to the Business/ Unit Heads and Corporate Functional Heads.

#### **UPDATING THE DIRECTORS ON A CONTINUING BASIS**

- The Company shall periodically arrange Board Strategy discussions at any of the Company's plants or off-site locations. At such Meetings, the Directors also get an opportunity to see the Company's operations, interact with the Plant Heads and review the sustainability aspects of the Plant. This would enable them to gain an understanding and appreciation of the operations of the Company and initiatives taken on safety, quality, environment issues, CSR, Sustainability, etc.
- At the Board Strategy Meeting, presentations shall be made to the Directors on the Company's long-term Vision and Strategy. Business Heads may also present their plans and priorities with the Board. This would enable the Directors to get a deeper insight in the operations of the Company.

- Periodic presentations on operations to the Board shall include information on business performance, operations, market share, financial parameters, working capital management, fund flows, senior management changes, major litigation, compliances, subsidiary data, etc.
- Business Heads and Company Executives may be invited at Board or Committee Meetings and meetings of Directors for better understanding of the business and operations of the Company.
- The remuneration of KMPs and Senior Management Personnel shall be guided by the external competitiveness and internal parity. Internally, performance rating of all employees would be spread across a normal distribution curve.
- The remuneration of KMPs and Senior Management shall comply with the guidelines approved by the NRC.

For and on behalf of the Board

#### **REMUNERATION TO KMPs AND SENIOR MANAGEMENT**

- The level and composition to be paid to KMPs and Senior Management shall be reasonable and sufficient to attract, retain and motivate them and shall be also guided by external competitiveness and internal parity.

**Marzin R. Shroff**

Chairman

DIN: 00642613

Mumbai, May 6, 2024

**FORM NO. MR.3  
SECRETARIAL AUDIT REPORT**

(Subject to requirement) for the Financial Year Ended March 31, 2024  
[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies

(Appointment and Remuneration of Managerial Personnel) Rules,  
2014]

To,  
The Members,  
Forbes Precision Tools and Machine Parts Limited  
Forbes Building, Charanjit Rai Marg Fort,  
Mumbai - 400001, Maharashtra, India

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Forbes Precision Tools and Machine Parts Limited (hereinafter called ‘the Company’). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

**Auditor’s Responsibility:**

Our responsibility is to express an opinion on the compliance of the applicable laws and maintenance of records based on audit. We have conducted the audit in accordance with the applicable Auditing Standards issued by The Institute of Company Secretaries of India. The Auditing Standards requires that the Auditor shall comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

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

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

- (i) The Companies Act, 2013 (the Act), and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment (Overseas Direct Investment and External

Commercial Borrowings are not applicable to the Company during the Audit Period);

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’): -
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (Not Applicable to the Company during the Audit Period)
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (Not Applicable to the Company during the Audit Period)
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not Applicable to the Company during the Audit Period)
  - d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (Not Applicable to the Company during the Audit Period)
  - e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (Not Applicable to the Company during the Audit Period)
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not Applicable to the Company during the Audit Period); and
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not Applicable to the Company during the Audit Period)

(vi) As identified, no law is specifically applicable to the Company.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing

Obligations and Disclosure requirements) Regulations, 2015 (Not Applicable to the Company during the Audit Period)

During the Audit Period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. as mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance (except in four cases where meetings were convened at a shorter notice for which necessary approvals obtained as per applicable provisions) and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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

We further report that, during the audit period the Company has

- 1) taken shareholders' approval in extraordinary general meeting held on January 16, 2024 for the following transactions:
  - a) increase in authorised share capital from 50,000 equity share capital of ₹10 each to 7,80,00,000 equity share capital of ₹10 each. Consequently, amended its Clause V of its Memorandum of Association of the Company.
  - b) Special resolution passed under section 180 (1)(a) and Section 180(1)(c) of the Act to borrow up to an amount not exceeding ₹ 500 Crore at any point of time.
  - c) Special resolution passed under section 185 of the Act for an amount not exceeding ₹ 500 Crore at any point of time.

d) Special resolution passed under section 186 of the Act for an amount not exceeding ₹ 500 Crore at any point of time.

e) Special resolution passed for alteration of Articles of Association of Company by adding two Clause.

- 2) The Hon'ble Mumbai Bench of National Company Law Tribunal (NCLT) had passed an Order dated February 9, 2024 approving the Scheme of Arrangement between Forbes & Company Limited (Demerged Company) and Forbes Precision Tools and Machine Parts Limited (Resulting Company) and their respective Shareholders. Certified copy of the NCLT Order dated February 9, 2024 was received on February 22, 2024.
- 3) The Company has issued and allotted 5,15,94,464 (Five Crores Fifteen Lakhs Ninety-four thousand four hundred sixty-four only) Equity Shares of ₹ 10/- each at par aggregating to total value of ₹ 51,59,44,640/- (Rupees Fifty-One Crores Fifty-Nine Lakhs Forty-Four Thousand Six Hundred Forty only) to the shareholders of Forbes & Company Limited on March 13, 2024
- 4) In the Board Meeting dated February 29, 2024 the Company has passed the resolution for appointment of Managing Director, Chief Financial Officer and Company Secretary & Compliance Officer, w.e.f. April 1, 2024 and designated them as Key Managerial Personnel under Section 203 of the Act.

#### For MMJB & Associates LLP

Company Secretaries

#### **Omkar Dindorkar**

Designated Partner

ACS: 43029

CP: 24580

PR: 2826/2022

UDIN: A043029F000316225

Date: May 6, 2024

Place: Mumbai

\* This report is to be read with our letter of event date which is annexed as Annexure A and which forms an integral part of this report.

**Annexure 'A'**

To,  
The Members,  
Forbes Precision Tools and Machine Parts Limited  
Forbes Building, Charanjit Rai Marg Fort,  
Mumbai - 400001, Maharashtra, India

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For MMJB & Associates LLP  
Company Secretaries

Omkar Dindorkar  
Designated Partner  
ACS: 43029  
CP: 24580  
PR: 2826/2022  
UDIN: A043029F000316225

Date: May 06, 2024  
Place: Mumbai



**Particulars of Technology Absorption and Foreign Exchange Earnings and Outgo, as per section 134(3)(m) of the Companies Act, 2013 and the Rules made therein and forming part of Directors’ Report for the year ended March 31, 2024.**

**(A) Conservation of Energy:**

**(i) Steps taken or impact on conservation of energy:**

**(a) ENERGY CONSERVATION MEASURES TAKEN:**

Company has installed APFC panel & Harmonic filter panel to enhance power quality and maintain power factor, resulting in average monthly power savings of 5500 KWH (Annual saving 67,000 KWH) due to Harmonic filters & Stacom panels installations, leading to a total annual cost saving of ₹ 6.43 Lacs.

**(b) Impact of measures taken at (a) above for reduction of energy consumption and impact on cost of goods:**

**(1) Steps taken by the Company for utilising alternate sources of energy:**

Effective utilization of rooftop solar system resulted in saving 1 MWH of power annually.

**(2) Capital investment on energy conservation equipment:**

Investment in energy conservation equipment (rooftop solar system) amounted to ₹ 301 lakhs.

**(B) Technology Absorption and Research and Development (R & D):**

**i. Efforts made towards technology & Benefits derived because of the below activities:**

a) Advanced edge preparation technology utilized for micro-geometry improvements, aiding in acquiring business in Aerospace machining tools solutions. Additionally, cutting-edge CNC measurement technology installed for precise measurements, with a total investment of 150 lacs.

b) Upgradation of simulation software to facilitate CAE activities for design validations.

**ii. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)**

a) the details of technology imported	Advanced edge preparation technology utilized for micro-geometry improvements, aiding in acquiring business in Aerospace machining tools solutions. Additionally, cutting-edge CNC measurement technology installed for precise measurements, with a total investment of 150 lacs .
b) the year of import	2023
c) whether the technology been fully absorbed	Yes
d) if not fully absorbed, areas where absorption has not taken place and the reasons thereof, and	NA

**iii. the expenditure incurred on Research and Development :**

Nil

**iv. Quality Management System Initiative:**

The operations of this company is a result of the demerger of the Precision Tools business and the quality certifications were part of this entity. With the demerger, this company does not have any Quality Certification in its name, but the process to get these certification in its current year . We are confident that all the existing certification in the erstwhile company will be now obtained in the name of the new company.

**v. Personnel**

All personnel – technical, sales , Supply chain , finance, HRM and other support staff engaged in the business of Precision Tools business are now the employees of your company as a result of the demerger of that business from Forbes and Company Limited to your company. The transition of the personnel has been smooth without any hitch.

While on the subject, your company has also signed an labour settlement agreement with the employee union and a agreement has been arrived and signed for the next 5 years starting beginning of 2024.

**(C) Foreign exchange earnings and outgo:**

**(a) Foreign exchange earnings:**

₹ in Lakhs

1. Export of goods calculated on FOB basis	3834.10
2. Commission and other Services	0.00
3. Freight and Insurance recoveries	15.11
4. Others	0.00
<b>Total</b>	<b>3849.21</b>

**(b) Foreign exchange outgo:**

₹ in Lakhs

Imports calculated on CIF basis – Raw material	2,885.65
Imports calculated on CIF basis – Components	0.00
Imports calculated on CIF basis –stores, spares and tools	235.10
Imports calculated on CIF basis – purchase for re-sale	62.46
Imports calculated on CIF basis – Capital Goods	489.80
Commission to overseas agents	21.57
Foreign travel	23.79
Royalty	0.00
Others	129.00
<b>Total</b>	<b>3,847.37</b>

For and on behalf of the Board

**Marzin R. Shroff**

Chairman

DIN: 00642613

Mumbai, May 6, 2024

## CORPORATE GOVERNANCE REPORT FOR FY 2023 - 2024

### Corporate Governance Policy

The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the SEBI (LODR)) shall become applicable to the Company after listing of shares pursuant to the Scheme of Arrangement, i.e. the date when the equity shares of the Company get listed on BSE Limited ('BSE'). During the financial year 2023-24, the Company was unlisted public limited company. Therefore, various provisions of the Companies Act, 2013 viz; related to Independent Directors, Committee etc. were not applicable to the Company. In addition, SEBI (LODR) were also not applicable to the Company.

The Company believes in the highest standards of good and ethical corporate governance practices. Good governance practices stem from the culture and mindset of the organization. It is therefore not merely about enacting policies, regulations and procedures but also about establishing an environment of trust and confidence among various shareholders.

The Company's philosophy on the Code of Governance is that the Company should follow contemporary corporate practices and the guiding principle of the Code of Governance of the Company is Harmony i.e.:

- (a) Balancing need for transparency with the need to protect the interest of the Company;
- (b) Balancing the need for empowerment at all levels with the need for accountability; and
- (c) Interaction with all stakeholders including shareholders, employees, lenders and regulatory authorities.

### Code of Conduct

The Company follows/believes in fair, transparent and ethical governance practices. The Code has been communicated to the Directors and the Members of the Senior Management. The Company has also adopted a Code of Conduct for Non-Executive Directors of the Company. All Board Members and Senior Management have confirmed compliance with the Code for the year ended March 31, 2024. The Non-Executive Directors of the Company have also confirmed compliance with the Code of Conduct for the Non-Executive Directors for the year ended March 31, 2024. The Annual Report contains a declaration to this effect signed by the Managing Director.

### Code of Practices and Procedures for Fair Disclosure and Conduct

As the Company has applied for listing of its securities on BSE Limited, and in line of good corporate governance practice has in compliance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, has framed a Code for Prevention of Insider Trading & Code of Corporate Disclosure Practices ("Insider Trading Code") based on the principle that Directors, Officers, and Employees of the Company owe a fiduciary duty to the Members of the Company to place the interest of the Members above their own and conduct their personal securities transactions in a manner that does not create any conflict of interest situation. The Insider Trading Code also seeks to ensure timely and

adequate disclosure of Price Sensitive Information to the investors by the Company to enable them to take informed investment decisions with regard to the Company's securities. The Chief Financial Officer of the Company is responsible for implementation of the Code.

### Board of Directors

Prior to March 31, 2024 the Board comprised of Mr. Nirmal Jagawat, Mr. Ravinder Prem and Ms. Rupa Khanna. All Directors were Non-Executive, Non-Independent Director. Further they ceased to be Directors of the Company with effect from the closure of business hours of March 31, 2024.

Further with effect from March 30, 2024 Mr. Marzin R. Shroff, Mr. Jai Mavani were appointed as Non- Executive, Non- Independent Directors and Mr. D.Sivanandhan, Mr. Nikhil Bhatia and Mrs. Rani Jadhav were appointed as Non- Executive, Independent Directors. Mr. Mahesh C. Tahilyani was appointed as Managing Director with effect from April 1, 2024. Their appointment was regularised by the Shareholders at their meeting held on February 29, 2024.

As on date of this report the Board of Directors comprised of Six (6) Directors. The Chairman of the Board is Non-Executive. Five (5) (83%) Directors are Non-Executive and 3 (50%) of the six of them are Independent Directors.

The composition of the Board is in conformity with Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 ('SEBI LODR').

The Company has appointed Mr. Marzin R. Shroff as the Chairman of the Company with effect from May 6, 2024.

The Company is managed by the Managing Director under the supervision, direction and control of the Board. The Managing Director is assisted by a team of highly qualified and experienced professionals. None of the Independent Directors serve as Independent Director in more than seven listed entities. None of the Directors of the Company are members in more than 10 mandatory committees nor act as a Chairman in more than 5 mandatory committees of public companies.

The Board met at least once in each quarter and the maximum time gap between two Board meetings did not exceed the time limit prescribed in Section 173 of the Companies Act, 2013. 6 (Six) meetings were held during the Financial Year (FY) ended March 31, 2024 on May 16, 2023, August 3, 2023, October 18, 2023, January 11, 2024, February 29, 2024 and March 29, 2024. The necessary quorum was present for all the meetings. Video conferencing facility was provided, wherever required to enable Directors to participate in meetings.

The terms and conditions of appointment of the Independent Directors are available on the website of the Company [www.forbesprecision.co.in/](http://www.forbesprecision.co.in/). The company has not conducted familiarization program to the Independent directors for the reporting period (FY 2023-24). The same shall be implemented by the Company from the upcoming Financial Year onwards.

Based on the declarations received from the Independent Directors, the Board is of the opinion that the Independent Directors fulfil the conditions specified in the SEBI LODR and are independent of the Management.

Pursuant to Rule 8(4) of the Companies (Accounts) Rules, 2014 the paid-up capital of the Company is below the threshold limit for the performance evaluation of Board. Hence, the requirement of formal annual evaluation by the Board of its own performance and that of its committees and individual Directors for the FY 2023 – 2024 is not applicable.

All the information required to be placed before the Board of Directors has been duly placed. The Agenda along with explanatory notes are sent in advance to the Directors.

The names and categories of the Directors on the Board, their attendance at the Board Meetings and Annual General Meeting (AGM) held during the year, the number of Chairmanships /Directorships of all Boards excluding alternate directorship, directorship of private limited companies, foreign companies and companies under Section 8 of the Act, and the Committees of Board (Chairmanship /Membership of Board Committees including only Audit Committee and Stakeholders Relationship Committee across all public limited companies (listed as well as unlisted) including those of the Company), held by them as on the date of this report are as follows

Name of the Director	Category	Number of Board Meetings during the F.Y 2023-24		Attendance at AGM held on August 9, 2023	Number of Shares/ Convertible instruments held	Relationship with Director	No. of Directorships in all Public Companies	No. of Committee positions held in all Public Companies		Directorship in other listed entity (Category of Directorship)
		Held	Attended					Chairman	Member	
Mr. Nirmal Jagawat* DIN: 01854117	Non-Executive, Non-Independent	6	6	Yes	Nil	None	4	Nil	Nil	Nil
Mr. Ravinder Prem* DIN : 07771465	Non-Executive, Non-Independent	6	5	Yes	Nil	None	4	Nil	Nil	Nil
Ms. Rupa Khanna* DIN: 09721876	Non-Executive, Non-Independent	6	5	Yes	Nil	None	2	Nil	Nil	Nil
Mr. Mahesh C. Tahilyani\$ DIN:01423084	Non-Independent, Executive	6	NA	No	Nil	None	3	Nil	Nil	Forbes & Company Limited (Executive Non Independent)
Mr. Jai Mavani@ DIN:05260191	Non-Executive, Non-Independent	6	0	No	8,128	None	4	Nil	Nil	Forbes & Company Limited (Non Executive Non Independent)
Mr. Marzin R. Shroff @ DIN: 00642613	Non-Executive, Non-Independent	6	0	No	Nil	None	Nil	Nil	Nil	Nil
Mr. D. Sivanandhan@ DIN:03607203	Non-Executive, Independent	6	0	No	Nil	None	8	3	6	1. United Spirits Limited (Independent) 2. Kirloskar Industries Limited (Independent) 3. Inditrad Capital Limited (Independent) 4. AGS Transact Technologies Limited (Independent) 5. Forbes & Company Limited (Independent)
Ms. Rani Ajit Jadhav @ DIN:07070938	Non-Executive, Independent	6	0	No	Nil	None	3	1	3	1. Procter & Gamble Health Limited (Independent) 2. Forbes & Company Limited (Independent)
Mr. Nikhil Bhatia @ DIN: 00414281	Non-Executive, Independent	6	0	No	Nil	None	4	2	0	1. Gokak Textiles Limited (Independent) 2. Forbes & Company Limited (Independent)

\* Ceased as Director with effect from the closure of business hours of March 31, 2024

\$ Appointed as Managing Director with effect from April 1, 2024

@ Appointed as Director with effect from March 30, 2024

The Board had identified following skills/expertise/competencies for effective functioning of the Company which are currently available with the Board:

- Marketing, Sales and Synergies
- Finance, Strategy and HR Management; and
- Corporate Governance and Administration

The specific areas of skills/expertise/competences of the individual Directors as on date is given below:

Director	Areas of Skills/Expertise/Competence
Mr. Marzin R. Shroff Chairman	Direct Selling, Digital, Advertising, Strategy, Luxury Branding and International Business
Mr. Mahesh C. Tahilyani Managing Director	Business management and Administration, Finance and control, IT-Digital Strategy, Building High Performance Teams, Corporate Governance.
Mr. D Sivanadhan Non-Executive – Independent	Public Policy and General Administration, Business Development, Business and Corporate Governance, Security - ITS Domain Expertise.
Mr. Jai Mavani Non-Executive Non- Independent Director	Fund raising, business structuring, Finance and Tax, Mergers & Acquisitions and Business Governance.
Ms. Rani A. Jadhav Non-Executive – Independent	Public Policy and General Administration, Corporate Governance and Administration.
Mr. Nikhil Bhatia Non-Executive – Independent	Risk Management, Taxation and related Regulatory, Business structuring and Governance.

#### Familiarization Programme for Independent Directors

At the time of appointment of an Independent Director, a formal letter of appointment is given to him/her, which inter alia explains the role, function, duties and responsibilities expected from him/her as a Director of the Company. The Independent Directors of the Company were also provided with necessary documents/ brochures, reports and internal policies to familiarize them about the industry, business operations and functioning of various divisions/departments of the Company. The Company has not conducted familiarization program to the Independent directors for the reporting period (FY 2023-24). The same shall be implemented by the Company from the upcoming Financial Year onwards.

#### Meeting of Independent Directors

During the FY 2023- 24 there was no meeting of Independent Director.

#### CEO/CFO Certification

Regulation 17(8) of SEBI LODR, though not applicable to the Company, the certificate from Mr. Mahesh C. Tahilyani, Managing Director and Mr. Vikram Nagar, Chief Financial Officer was placed before the Board of Directors as a good Corporate Governance practice.

#### Audit Committee

The Audit Committee was constituted with effect from April 1, 2024. In compliance with section 177 of the Act and Regulation 18 of

SEBI (LODR) 2015 the terms of reference of the Audit Committee were as under:

- oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - 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;
  - changes, if any, in accounting policies and practices and reasons for the same;
  - major accounting entries involving estimates based on the exercise of judgment by management;
  - significant adjustments made in the financial statements arising out of audit findings;
  - compliance with listing and other legal requirements relating to financial statements;
  - disclosure of any related party transactions;
  - modified opinion(s) in the draft audit report;
- reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- 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 issue or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the board to take up steps in this matter;
- reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- approval or any subsequent modification of transactions of the listed entity with related parties;
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the listed entity, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- reviewing, with the management, performance of statutory



and internal auditors, adequacy of the internal control systems;

- 13) 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;
- 14) discussion with internal auditors of any significant findings and follow up there on;
- 15) 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;
- 16) 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;
- 17) 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;
- 18) to review the functioning of the whistle blower mechanism;
- 19) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- 20) reviewing the utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
- 21) consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
- 22) Carrying out any other functions required to be carried out by the Audit Committee, as may be decided by the Board and/or as provided under the Companies Act, the SEBI LODR Regulations or any other applicable law, as and when amended from time to time.

In addition to the above the Audit Committee will also reviews the information listed in Schedule II of Part C (B) of SEBI (LODR)

#### **Composition of Audit Committee**

The Audit Committee of the Board has been constituted in compliance with the provision of Regulation 18 of SEBI (LODR) LODR read with Section 177 of the Act. The Committee comprises of 3 members of whom 2 are Independent Non-Executive Directors and 1 Executive Director. The Chairman of the Audit Committee is an Independent Director.

All members are financially literate and at least one member has Accounting expertise.

The Audit Committee meetings will be attended by Chief Financial Officer, Statutory Auditors Internal Auditor and the functional heads as and when required. The Company Secretary acts as the Secretary

to the Committee.

The Composition of the Committee is as follows:

<b>Name of the Director</b>	<b>Category</b>
Mr. Nikhil Bhatia Chairman	Non-Executive, Independent Director
Mr. D. Sivanandhan	Non-Executive, Independent Director
Mr. Mahesh C. Tahilyani	Non-Independent, Executive Director

#### **Nomination and Remuneration Committee**

In compliance with Section 178 of the Act and Regulation 19 of SEBI LODR, the Board had constituted Nomination and Remuneration Committee with effect from April 1, 2024. The Committee comprises of 3 members of whom 2 are Independent Non-Executive Directors and 1 Non- Executive, Non- Independent Director Independent Director. The Chairman of the Nomination and Remuneration Committee is an Independent Director.

#### **The terms of reference of Nomination and Remuneration Committee includes:**

- 1) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees
- 2) For every appointment of an independent director, the Nomination and Remuneration Committee shall 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. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may
  - use the services of an external agencies, if required;
  - consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - consider the time commitments of the candidates.
- 3) formulation of criteria for evaluation of performance of independent directors and the board of directors;
- 4) devising a policy on diversity of board of directors;
- 5) 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.
- 6) to recommend 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.
- 7) recommend to the board, all remuneration, in whatever form, payable to senior management. and
- 8) Carrying out any other functions as may be delegated by the Board of Directors of the Company, as provided under the

Companies Act, the SEBI LODR Regulations or any other applicable law, as and when amended from time to time.

The Company's policy on directors' appointment and remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the Board Report. The Nomination and Remuneration Policy of the Company has been uploaded on the website of the Company, [www.forbesprecision.co.in/](http://www.forbesprecision.co.in/)

The Committee will determine and recommend to the Board the compensation of the Managing Director. The Committee will make periodic appraisal of the performance of the Managing Director. The Company does not have stock options.

There was no Executive Director in the Company during FY 2023-24. Further, no remuneration/ sitting fee was paid to the non-executive directors of the Company during FY 2023-24.

#### The Composition of the Committee is as follows:

Name of the Director	Category
Mr. D. Sivanandhan Chairman	Non-Executive, Independent Director
Mr. Marzin R. Shroff	Non- Executive, Non-Independent Director
Mr. Nikhil Bhatia	Non- Executive, Independent Director

#### Stakeholders' Relationship Committee

In compliance with the provisions of Section 178 of the Act and Regulation 20 of SEBI LODR the Stakeholder Relationship Committee was constituted on April 1, 2024, the terms of reference of the 'Stakeholders Relationship Committee' includes:

- Approval of Share Transfers / Deletion of Name/s / Transposition of Name/s, Dematerialization / Re-materialization of Shares;
- Approval of Transmission of Shares;
- Approval for issue of Duplicate/Replacement/Renewal of Share Certificates;
- Resolution of all the grievances of the security holders;
- Review of measures taken for effective exercise of voting rights by shareholders;
- Review of adherence to the service standards adopted in respect of various services being rendered by Registrar & Share Transfer Agents;
- Review of the various measures and initiatives taken 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
- Such other functions/duties as may be entrusted by the Board from time to time.

The Committee comprises of 3 members of whom 2 are Independent Non-Executive Directors and 1 Executive Director.

The Composition of Stakeholders' Relationship Committee is as follows:

Name of the Director	Category
Mr. D. Sivanandhan – Chairman	Non-Executive, Independent Director
Mr. Mahesh C. Tahilyani	Executive
Ms. Rani Jadhav	Non-Executive, Independent Director

The Company Secretary functions as Compliance Officer.

During the year under review, no complaints were received by the Company. Further no transfers were pending as on March 31, 2024.

#### Corporate Social Responsibility Committee

Pursuant to section 135 of the Companies Act, a Corporate Social Responsibility (CSR) Committee of the Board was constituted with effect from April 1, 2024. The Company has formulated a policy for its CSR activities and the duties and responsibilities of the Committee include-

- 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;
- recommend the amount of expenditure to be incurred on the activities referred above;
- monitor the Corporate Social Responsibility Policy of the company from time to time;
- ensure that the activities as are included in Corporate Social Responsibility Policy of the company are undertaken by the company;
- 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.

The CSR committee comprises of 1 Independent Director and 2 Non- Executive Non Independent Directors.

The Composition of the CSR Committee is as follows:

Name of Director	Category
Mr. D. Sivanandhan Chairman	Non-Executive, Independent Director
Mr. Mahesh C. Tahilyani	Executive, Non-Independent Director
Mr. Jai Mavani	Non-Executive, Non – Independent Director

## General Body Meetings

The details of date, time and venue of the Annual General Meeting held during the last year till March 31, 2023 are as under:

Particulars	Date	Time	Venue
1 <sup>st</sup> Annual General Meeting	August 9, 2023	10.00 a.m	The Annual General Meeting was held at the registered office of the Company i.e Forbes Building, Charanjit Rai Marg, Fort, Mumbai -400001.

### Details of Special Resolutions passed in the General Meeting during previous financial Year 2023-24

Details of Special Resolutions passed through Extra Ordinary General Meeting on January 16, 2024 and February 29, 2024

- Alteration of Article of Association
- Appointment of Mr. Mahesh C. Tahilyani (DIN: 01423084) as Director and Managing Director of the company
- Appointment of Mr. D. Sivanandhan (DIN: 03607203) as an Independent director of the company
- Appointment of Mr. Nikhil Bhatia (DIN: 00414281) as an Independent Director of the Company.
- Appointment of Ms. Rani Jadhav (DIN: 07070938) as as Independent Director of the Company
- Borrowing funds in excess of the prescribed limits
- Creation of charge/mortgage on assets of the Company
- Authority to provide any loans or guarantee or any security to all such person specified under section 185 of the Companies act, 2013
- Granting of loans/security/guarantee or making investment of funds in excess of the prescribed limits

There were no resolutions passed through Postal Ballot during the last two years.

### Fees paid by the Company to Statutory Auditors:

M/s. Sharp & Tannan Associates (Firm Registration No. 109983W) are the Statutory Auditors' of the Company. The particulars of payment of Statutory Auditors' fees is given below:

(₹ in Lakhs)

Particulars	Remuneration of M/s Sharp & Tannan Associates for Amount (₹)
Statutory Audit Fees	10.00
Special purpose financial statement	5.00
Total	15.00

### Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, as amended:

The Company has in a place a Sexual Harassment Policy in line with the requirement of Sexual Harassment of Women at workplace

(Prevention, Prohibition and Redressal) Act, 2013. There were no compliant during the FY 2023-24

### Related Party Transactions

All related party transactions entered into during the financial year were on arm's length basis and were in the ordinary course of business and does not attract the provisions of Section 188 of the Act.

All related party transactions will be placed before the Audit Committee for its approval from the FY 2024-25.

The Board has approved policy for related party transactions which has been uploaded on the Company website viz [www.forbesprecision.co.in/](http://www.forbesprecision.co.in/)

### Disclosure on loans and advances

There have been no loans or advances extended by the Company to firms or companies where Directors of the Company hold an interest.

### Disclosure of Material Subsidiaries

The Company doesn't have any material subsidiary.

### Statutory Compliances

The Company has a system in place whereby the Managing Director/ Chief Financial Officer/Company Secretary provides Compliance Certificate to the Board of Directors based on the confirmations received from concerned persons/heads of the Company relating to compliance of various laws, rules, regulations and guidelines applicable to their areas of operation.

### Vigil Mechanism/Whistle Blower Policy

Pursuant to Section 177 of the Act and Regulation 22 of SEBI LODR, the Board has established a vigil mechanism for the Directors and employees of the Company to report genuine concerns about unethical behaviour actual or suggested fraud or violation of the Company's Code of Conduct or ethics with effect from April 1, 2024 . The Company has in place Whistle Blower Policy to provide mechanism for Director or employee of the Company to approach the Chairman of the Audit Committee. The Policy is available on the Company's website viz. [www.forbesprecision.co.in/](http://www.forbesprecision.co.in/)

### Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause:

The compliance of mandatory and non-mandatory requirements of the SEBI LODR, were not applicable for FY 23-24. As on date of this report the Company is complying with the following discretionary requirements of Regulation 27(1) and Part E Schedule II of SEBI LODR as under:

- **Shareholders' Rights:** The Company is sending financial statements along with the Board's Report and Auditors' Reports to all the shareholders through email. The Same shall be available on the Company's website i.e., [www.forbesprecision.co.in/](http://www.forbesprecision.co.in/)
- **Audit Qualifications:** The Company's standalone financial statement for the financial year 2023-24 does not contain any audit qualification.
- **Separate posts of Chairman and CEO:** The Chairman of the Board is a Non- Executive Director. The Company has appointed Managing Director to take care of the day-to-day affairs of the Company. The position of the Chairman and Managing Director are separate.
- **Reporting of internal auditor:** The internal auditor may report directly to the audit committee

### Means of Communication

The financial results for the quarter and year ended March 31, 2024 are available on the website of the Company [www.forbesprecision.co.in/](http://www.forbesprecision.co.in/)

The Company does not have a practice of making presentation to institutional investors and analysts. Management Discussion and Analysis forms part of Annual Report.

### General Shareholders Information

<b>AGM-Date, time and Venue</b>	Next Annual General Meeting of the Company is scheduled on Thursday, July 25, 2024 at 03.00 PM at Indian Merchants' Chambers, Walchand Hirachand Hall, IMC Building, 4 <sup>th</sup> Floor, IMC Marg, Churchgate, Mumbai 400 020
<b>Financial Year</b>	The Company follows the April – March financial year
<b>Listing on Stock Exchange</b>	BSE Limited, P.J. Towers, Dalal Street, Mumbai – 400 001.
<b>ISIN</b>	(ISIN- INE0TT901016)

Equity shares of the Company will be listed on BSE Limited only and Company has paid the annual listing fees and other fees alongwith pursuant to Scheme of Arrangement listing application.

During the year under review, and as on the date of this Report, the Equity Shares of the Company were not listed on the Stock Exchanges. Therefore, the monthly high and low share prices and market capitalization of equity shares of the Company and the comparison in performance of share price of the Company vis-à-vis broad based Indices are not available.

The Directors have not recommended any dividend for the year under review.

The Company has not declared any dividend since incorporation viz. from August 30, 2022. Therefore, the provisions of the Act and the Investor Education and Protection Fund Authority (Accounting,

Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") for transfer of unpaid/ unclaimed dividend as well as shares on which dividend remain unpaid/ unclaimed for a period of seven consecutive years to IEPF Account, are not applicable on the Company.

### Registrars and Share Transfer & Agents

The Company has appointed Link Intime India Private Limited as its Registrar & Share Transfer Agents (RTA). Shareholders are advised to approach Link Intime India Private Limited on the following address for any queries and issues related to shares held by them in the Company:

#### Link Intime India Private Limited

Address: C-101, 1<sup>st</sup> Floor, 247 Park L.B.S. Marg, Vikhroli (West), Mumbai-400 083, Maharashtra, India.

Tel.: +91 81081 18484

E-mail: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

Website: [www.linkintime.co.in](http://www.linkintime.co.in)

### Dematerialisation of Equity Shares

Pursuant to the Scheme of Arrangement and in Compliance to BSE observation letter No. DCS/ AMAL/TL/R37/2816/2023-24 dated July 23, 2024 the Company had issued and allotted equity shares in dematerialized form to those shareholders who hold shares as on the record date i.e March 13, 2024 of the Demerged Company (Forbes & Company Limited).

For shareholders of Demerged Company (Forbes & Company Limited) holding shares in physical mode, the Company shall keep their shares in a separate escrow demat account and will credit the same to the respective demat account(s) of such shareholders as and when the details of such shareholder's account with the depository participants are intimated in writing by the shareholders to the Company/Register and Transfer Agents.

### Distribution of Shareholding as on March 31, 2024

Category	No. of Shares	%
Promoters	38102764	73.85
Central/State Government Institutions	121452	0.24
Financial Institutions/ Banks	47028	0.09
Limited Liability Partnership	17944	0.03
Mutual Fund	568	0.00
FII & NRI/FBC/FPI	6169012	11.96
Investor Education and Protection Fund	652612	1.26
Directors and their relatives	8132	0.02
Trusts	2400	0.00
Bodies Corporate/Clearing Members	1637136	3.17
Public	4835416	9.37
<b>Total</b>	<b>51594464</b>	<b>100</b>

### Distribution by size as on March 31, 2024

Holding	No. of Shareholders	No. of Shares	% to Shares
1 to 500	9370	1091768	2.1161
501 to 1000	681	492080	0.9537
1001 to 2000	386	579148	1.1225
2001 to 3000	141	347260	0.6731
3001 to 4000	103	375364	0.7275
4001 to 5000	36	165056	0.3199
5001 to 10000	67	469488	0.91
10001 & above	67	48074300	93.1772
<b>Total</b>	<b>10851</b>	<b>51594464</b>	<b>100</b>

### Credit Rating

During the year under review, the Company did not obtain any credit rating.

### Status of dematerialization of shares and liquidity as on March 31, 2024

Details	No. of shares	% of Share Capital	No. of Accounts
National Securities Depository Ltd. (NSDL)	49293684	95.54	5452
Central Depository Services (India) Ltd. (CDSL)	2300780	4.46	5399
<b>Total</b>	<b>51594464</b>	<b>100</b>	<b>10851</b>

### Outstanding Employee Stock Options, GDRs, ADRs, etc.

The Company has not issued any GDRs/ADRs/Warrants. There are no outstanding Foreign Currency Convertible Bonds (“FCCBs”) and Employee Stock Options.

No funds were raised during the year through preferential allotment or qualified institutional placement.

The Company does not undertake any commodity hedging activities.

### Foreign exchange risk and hedging activities

The Company has a foreign exchange risk management policy for managing foreign currency exposure. The Company identifies risks and exposures to be hedged from time to time and hedges these exposures. During the year, the Company has managed foreign exchange risk and hedged in compliance with its extant foreign exchange risk management policy. The open foreign

exchange exposures are reviewed at a regular interval. Note No. 2(xiii) to the standalone financial statements describes the accounting policy relating to the foreign currency transactions and translations.

The Company does not undertake any commodity hedging activities.

### Plant Locations

Plot B-13, MIDC Waluj Industrial Area Waluj, Chhatrapati Sambhajnagar - 431 133

### Address for correspondence

The shareholders may send their communication/suggestions/grievances /queries related to the Company to The Company Secretary and Compliance Officer, Forbes Precision Tools and Machine Parts Limited, Forbes’ Building, Charanjit Rai Marg, Fort, Mumbai-400001 Email id investor.relations@forbesprecision.co.in.

### Auditors’ Certificate

1. Certificate dated May 6, 2024 issued by MMJB & Associates, Practicing Company Secretaries certifying that none of the Directors of the Company have been debarred or disqualified from being appointed or continuing as Directors by the Board/ Ministry of Corporate Affairs or any such statutory authority.
2. The certificate dated May 6, 2024, issued by MMJB & Associates, Practicing Company Secretaries on compliance with the Corporate Governance requirements by the Company is annexed herewith.

The Corporate Governance Report was adopted by the Board of Directors at its meeting held on May 6, 2024 as a part of Board’s Report.

### DECLARATION UNDER REGULATION 26(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

As provided under Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management Personnel have confirmed compliance with the code of conduct for Board of Directors and Senior Management for the year ended March 31, 2024.

### For Forbes Precision Tools and Machine Parts Limited

**Mahesh C. Tahilyani**  
Managing Director

Place: Mumbai  
Dated : May 6, 2024



## CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,  
The Members,  
Forbes Precision Tools and Machine Parts Limited  
Forbes Building, Charanjit Rai Marg Fort,  
Mumbai - 400001, Maharashtra, India.

We have examined the compliance of conditions of Corporate Governance by Forbes Precision Tools and Machine Parts Limited (“the Company”) for the year ended on March 31, 2024, as stipulated in Regulations 17 to 27 and clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [“Listing Regulations”].

In our opinion and to the best of our information and according to the explanations given to us, and representations made by the management, we certify that the corporate governance provisions were not mandatorily applicable to the entity in the last financial year but Company has voluntarily adhered to these provisions to the best of their ability and Company is into process of full compliance with the relevant regulations as stipulated in Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of Listing Regulations.

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

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

For **MMJB & Associates LLP**  
Company Secretaries

**Omkar Dindorkar**  
Designated Partner  
ACS: 43029  
CP: 24580  
PR: 2826/2022  
UDIN: A043029F000316269

Date: May 6, 2024  
Place: Mumbai

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,  
The Members  
Forbes Precision Tools and Machine Parts Limited  
Forbes' Building, Charanjit Rai Marg Fort,  
Mumbai, Maharashtra,  
India, 400001

We have examined the relevant disclosures provided by the Directors (as enlisted in Table A) to Forbes Precision Tools and Machine Parts Limited having CIN U29256MH2022PLC389649 and having its registered office at Forbes' Building, Charanjit Rai Marg, Fort, Mumbai, Maharashtra, India, 400001 (hereinafter referred to as 'the Company') for the purpose of issuing this Certificate, in accordance with accordance with Regulation 34(3) read with Schedule V Para C clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information, based on (i) documents available on the website of the Ministry of Corporate Affairs as on May 6, 2024, and Stock Exchanges as on May 6, 2024 (ii) Verification of Directors Identification Number (DIN) status at the website of the Ministry of Corporate Affairs, and (iii) disclosures provided by the Directors (as enlisted in Table A) to the Company, we hereby certify that none of the Directors on the Board of the Company (as enlisted in Table A) have been debarred or disqualified from being appointed or continuing as directors of the companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other statutory authority as on March 31, 2024.

**Table A**

Sr. No.	Name of the Directors	DIN	Date of appointment / Resignation
1.	Mr. Marzin Roomi Shroff	00642613	30/03/2024
2.	Mr. Jai Laxmikant Mavani	05260191	30/03/2024
3.	Ms. Rani Jadhav Ajit	07070938	30/03/2024
4.	Mr. Nikhil Jaysinh Bhatia	00414281	30/03/2024
5.	Mr. Sivanandhan Dhanushkodi	03607203	30/03/2024
6.	Mr. Mahesh Chelaram Tahilyani	01423084	01/04/2024
7.	Mr. Ravinder Prem*	07771465	30/08/2022
8.	Mr. Nirmal Jagawat*	01854117	30/08/2022
9.	Ms. Rupa Khanna*	09721876	30/08/2022

\* Ceased as Director with effect from closure of business hours of March 31, 2024

*General Disclaimer: Our Analysis for this certificate does not cover the verification of criteria pertaining to appointment as independent director under Section 149 and criteria pertaining to appointment as Managing Director under Section 196 and Schedule V of the Companies Act, 2013.*

**For MMJB & Associates LLP**  
Company Secretaries

**Saurabh Agarwal**  
Partner

FCS No. : 9290

CP No.: 20907

PR: 2826/2022

UDIN: F009290F000321426

Date: May 6, 2024  
Place: Mumbai

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**FINANCIAL STATEMENTS  
FORMING PART OF  
ANNUAL REPORT  
FOR THE YEAR ENDED  
MARCH 31, 2024.**

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## INDEPENDENT AUDITOR'S REPORT

### To the members of FORBES PRECISION TOOLS AND MACHINE PARTS LIMITED

#### Report on the audit of the Standalone Financial Statements

##### Opinion

We have audited the accompanying Standalone Financial Statements of **FORBES PRECISION TOOLS AND MACHINE PARTS LIMITED** (hereinafter referred as "the Company"), which comprise the Balance sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year ended March 31, 2024 and Notes to the Standalone Financial Statements, including a summary of material accounting policies and other explanatory information (hereinafter collectively referred as the "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 (hereinafter referred as "the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed Under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended (hereinafter referred as "Ind AS") and other accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at March 31, 2024, its profit, other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

##### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (hereinafter referred to as "SAs") specified Under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's responsibilities for the audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (hereinafter referred as "ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### Emphasis of Matter

We draw attention to Note 38 of the Standalone Financial Statements, which describes the Scheme of Arrangement ("the scheme") under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder, which inter alia, provides for amalgamation and vesting of Assets & liabilities of demerged undertaking of Forbes & Company Limited (FCL) with and into company on a going concern basis was approved by NCLT. The requisite certified order of the National Company Law Tribunal (NCLT) has been filed with the Registrar of Companies on March 1, 2024.

Consequently, the demerged undertaking of FCL is merged into the company with effect from the appointed date of April 1, 2023.

Our opinion is not modified in respect of this matter.

##### Information other than the Standalone Financial Statements and Auditor's Report thereon (hereinafter referred as "other information")

The Company's Management and Board of Directors are responsible for the preparation of the other information. The other information comprises the Board's report included in the annual report but does not include the Standalone Financial Statements and our report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance and/or conclusions thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

##### Management's & Board of Directors' for the Standalone Financial Statements

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

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

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

##### Auditor's Responsibilities for the Audit of the Standalone

## Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- a) Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has an adequate internal financial controls system in place and the operating effectiveness of such controls.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to our auditor's report date. However, future events or conditions may cause the Company to cease to continue as a going concern.
- e) Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in the aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in

(i) planning the scope of our audit work and in evaluating the results of our work, and (ii) evaluating the effect of any identified misstatements in the Standalone Financial Statements.

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

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

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government in terms of Section 143 (11) of the Act, we give in "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act and based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows statement dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;
  - f) 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; and
  - g) With respect to the other matters to be included in the auditor's report in accordance with the requirements of Section 197(16) of the Act, as amended, according to the explanation given to us, the remuneration has not been paid by the Company to its directors during



the year, accordingly the provisions of section 197 of the Act are not applicable to the company.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations as at March 31, 2024, on its financial position in its Standalone Financial Statements - Refer notes 33 (a) to the Standalone Financial Statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts that were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign

entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to the notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement;
- v. During the year Company has not declared/paid any dividend hence reporting under rule 11 (f) is not applicable to that extent and
- vi. Based on our examination which included test checks, the company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on the preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

**For Sharp & Tannan Associates**  
Chartered Accountants  
Firm's Registration No.: 0109983W

by the hand of

**Parthiv S Desai**  
Partner

Membership No.: (F) 042624  
UDIN- 24042624BKFRSG1911

Mumbai, May 06, 2024

**Annexure A to the independent auditor’s report on the standalone financial statements of Forbes Precision Tools and Machine Parts Company Limited for the year ended 31<sup>st</sup> March 2024**

**(Referred to in paragraph 1 under the heading “Report on Other Legal and Regulatory Requirements” Section of our report on even date)**

- (i) (a) According to the information and explanation given to us and records examined by us;
- (A) The Company is maintaining proper records showing full particulars, including quantitative details and the situation of the Property, Plant and Equipment (PPE) of the Company.
- (B) The Company is maintaining proper records showing full particulars of the Intangible assets of the Company.

- (b) The Company has a program of verification of PPE to cover all the items once in two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, all PPE has been physically verified for the demerged undertaking which is subsequently merged into the company. According to the information and explanations given to us, no material discrepancies were noticed in such verification related to assets transferred to the company as per the scheme of arrangement.
- (c) we report that the title deeds, comprising all the immovable properties of land and buildings, (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), are held in the name of the Company as on balance sheet date, except for the following:

Description of property	Gross carrying value (₹ in Lakhs)	Title deeds held in the name of	Whether the title deed holder is a promoter, director or their relative or employee	Period held - indicate the range, where appropriate (years)	Reason for not being held in the name of the Company
Plot B-13, Waluj Industrial Area Waluj, Aurangabad-431 133	9.96	Forbes & Company Limited	No	Less than 1 Year	The Property is transferred under the scheme of arrangement. The company is in the process to transfer of title deeds.
Factory Building 1, Factory Building 2, Office Building and Canteen	3,428.87				

- (d) We report that the company has not made any revaluation of PPE (including Right of use assets) or intangible assets or both during the year. Accordingly, reporting on paragraphs 3 Clause (i) (d) of the Order is not applicable to the Company.
- (e) We report that there are no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting on paragraphs 3 Clause (i) (e) of the Order is not applicable to the Company.
- (ii) In our opinion and according to the information and explanations given to us;
- (a) the physical verification of inventory has been conducted at reasonable intervals by the management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. Inventory lying with the third parties has been substantially confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more and have been appropriately dealt with in the books of accounts.
- (b) During the year the company has not been sanctioned a working capital facility. Accordingly, reporting on paragraph 3 Clause (ii) (b) of the Order is not applicable to the Company.
- (iii) In our opinion and according to the information and explanations given to us the company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnerships or other parties during the year. Accordingly, paragraph 3 Clause (iii) (a), (b), (c), (d), (e) & (f) of the Order is not applicable to the Company.
- (iv) During the year the Company has not given loans and advances or made investments in or provided guarantees or security to parties covered by sections 185 and 186 of the Act. Accordingly, reporting on paragraph 3 Clause (iv) of the Order is not applicable to the Company.
- (v) During the year there is no public deposit as such in the company and no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal. Accordingly, reporting on paragraphs 3 Clause (v) of the Order is not applicable to the Company.

- (vi) The Central Government has specified maintenance of cost records under Section 148(1) of the Act. We have broadly reviewed these records relating to materials, labour and other items of cost maintained by the Company and are of the opinion that prima facie, the prescribed cost accounts and records have been prepared and maintained. We have not however made a detailed examination of records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) in our opinion, the Company is regular in depositing the undisputed statutory dues, including Goods and

Services Tax, Provident Fund, Employees' State Insurance, Income-tax, Customs Duty, cess, and other material statutory dues, as applicable, with the appropriate authorities as per the records of the company examined by us. Also, refer to note 33 (a) to the standalone financial statements regarding management's assessment of certain matters relating to the provident fund.

- (b) There are no statutory dues referred to in sub-clause (a) as at March 31, 2024, which have not been deposited on account of a dispute, except as mentioned below:

Name of the Statute	Nature of dues	The period to which the amount relates	Forum where the dispute is pending	Amount involved (₹ in Lakhs)
Employees Provident Fund and Misc. Provisions Act, 1952	Damages	1996-2014	The Central Government Industrial Tribunal at Mumbai	16.81

- (viii) There are no such transactions that are not recorded in the books of account, which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Accordingly, reporting on paragraph 3 clause (viii) of the Order is not applicable to the Company.
- (ix) According to the information and explanations given to us and the records examined by us;
- (a) the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) the company has not been declared a wilful defaulter by banks or financial institutions or other lenders Accordingly, reporting on paragraph 3 clause (ix) (b) of the Order is not applicable to the Company.
- (c) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were obtained.
- (d) According to the information and explanations given to us, the procedures performed by us, and on an overall examination of the financial statements of the company, we report that no funds raised on a short-term basis have been used for long-term purposes by the company.
- (e) The company does not have subsidiaries, associates or joint ventures. Accordingly, reporting on paragraph 3 clause (ix) (e) of the Order is not applicable to the Company
- (f) The company does not have subsidiaries, associates or joint ventures. Accordingly, reporting on paragraph 3 clause (ix) (f) of the Order is not applicable to the Company.
- (x) According to the information and explanations given to us and the records examined by us,
- (a) The Company being the non-listed public limited company, has not raised money by way of an initial public offer or further public offer (including debt instruments), Accordingly reporting on paragraph 3 clause (x) (a) of the Order is not applicable to the Company.
- (b) During the year the Company has not made preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible), Accordingly, reporting on paragraph 3 clause (x) (b) of the Order is not applicable to the Company.
- (xi) According to the information and explanations given to us and during the course of our examination of the books and records of the company,
- (a) we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have been informed of any such case by the management.
- (b) No report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was required to be filed with the Central Government. Accordingly, the reporting under paragraph 3 clause (xi)(b) of the Order is not applicable to the company.
- (c) no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the company.
- (xii) The Company is not a Nidhi Company and hence reporting under paragraph 3 clause (xii) (a), (b) and (c) of the Order is not applicable to the Company.

- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable Ind AS.
- (xiv) The company is not required to appoint an Internal auditor. Accordingly, reporting under paragraph 3 Clause (xiv)(a) and (b) of the order is not applicable to the company.
- (xv) During the year the company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence reporting on compliance with the provisions of section 192 of the Companies Act, 2013 under paragraph 3 clause (xv) of the order is not applicable to the company.
- (xvi) According to the information and explanations given to us and the records examined by us,
- (a) the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting on paragraph 3 Clause (xvi)(a) of the order is not applicable to the company.
- (b) the Company has not conducted non-banking financial/housing finance activities during the year. Accordingly, reporting on paragraph 3 Clause (xvi) (b) of the order is not applicable to the company.
- (c) the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, reporting on paragraph 3 Clause (xvi)(c) of the order is not applicable to the company.
- (d) The group has five unregistered Core Investment Companies (CICs) as part of the Group as detailed in note 42 (iii) to the standalone financial statements. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.
- (xvii) In our opinion and according to the information and explanations given to us, the company has not incurred cash losses in the current year, however, the company has incurred cash losses of ₹ 1.18 Lakhs in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly, reporting on paragraph 3 Clause (xviii) of the order is not applicable to the company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, and other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of the balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) Section 135 of the Companies Act does not apply to the company, accordingly, reporting on Paragraph 3 Clause (xx) (a) & (b) of the order are not applicable to the company.
- (xxi) The company does not have any subsidiaries, associates and joint ventures during the year. Hence, the Company is not required to prepare Consolidated Financial Statements. Accordingly, reporting under paragraph 3 Clause (xxi) of the Order is not applicable.

**SHARP & TANNAN ASSOCIATES**  
Chartered Accountants  
Firm's Registration No.: 0109983W

by the hand of

**CA Parthiv S Desai**  
Partner

Membership No.: (F) 042624  
UDIN –24042624BKFRSG1911

Mumbai, May 06, 2024

**Annexure B to the independent auditor's report on the standalone financial statements of FORBES PRECISION TOOLS AND MACHINE PARTS LIMITED for the year ended 31<sup>st</sup> March, 2024**

(Referred to in paragraph 2 (f) under the heading, "Report on other legal and regulatory requirements" of our report on even date)

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) Section 143 (3) of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Forbes Precision Tools and Machine Parts Limited (hereinafter referred to as "the Company") as of March 31, 2024, in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

**Management's & Board of Directors' Responsibility for Internal Financial Controls**

The Company's Management and Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the guidance note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the guidance note and the Standards on Auditing issued by ICAI and deemed to be prescribed Under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's

internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit the preparation of Standalone Financial Statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding the prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone Financial Statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (hereinafter referred as "the guidance note") issued by the Institute of Chartered Accountants of India (hereinafter referred as "ICAI").

For Sharp & Tannan Associates  
Chartered Accountants  
Firm's Registration No.: 0109983W

by the hand of  
Parthiv S Desai  
Partner

Membership No.: (F) 042624  
UDIN- 24042624BKFRSG1911

Mumbai, May 06, 2024

**BALANCE SHEET AS AT MARCH 31, 2024**

<b>Particulars</b>	<b>Note No.</b>	<b>As at March 31, 2024 ₹ in Lakhs</b>	<b>As at March 31, 2023 ₹ in Lakhs</b>
<b>ASSETS</b>			
<b>1 Non-current assets</b>			
a Property, Plant and Equipment	3	8,527.72	-
b Right-of-use assets	31	343.09	-
c Capital work-in-progress	3A	468.67	-
d Other Intangible assets	3B	61.30	-
e Financial Assets:			
i) Other financial assets	6A.	94.53	-
f Income tax assets (net)	19	851.41	-
g Other non-current assets	9A.	296.69	-
<b>Total Non-current assets</b>		<b>10,643.41</b>	<b>-</b>
<b>2 Current assets</b>			
a Inventories	7	3,846.87	-
b Financial Assets:			
i) Trade receivables	4	2,944.40	-
ii) Cash and cash equivalents	8	1,595.63	5.00
iii) Loans & Advances	5	3.26	-
iv) Other financial assets	6B.	1,137.83	-
c Other current assets	9B.	88.25	0.07
<b>Total Current assets</b>		<b>9,616.24</b>	<b>5.07</b>
<b>Total Assets</b>		<b>20,259.65</b>	<b>5.07</b>



## BALANCE SHEET AS AT MARCH 31, 2024

Particulars	Note No.	As at March 31, 2024 ₹ in Lakhs	As at March 31, 2023 ₹ in Lakhs
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a Equity share capital	10	5,159.45	5.00
b Other equity	11	8,615.88	(1.18)
<b>Total Equity</b>		<b>13,775.33</b>	<b>3.82</b>
<b>Liabilities</b>			
<b>1 Non-current liabilities</b>			
a Financial liabilities:			
i) Borrowings	12	294.15	-
ii) Lease Liabilities	31	216.00	-
iii) Other financial liabilities	13A.	95.15	-
b Provisions	14A.	557.56	-
c Deferred tax liabilities (net)	15	236.77	-
<b>Total Non-current liabilities</b>		<b>1,399.63</b>	<b>-</b>
<b>2 Current liabilities</b>			
a Financial liabilities:			
i) Borrowings	17	248.25	-
ii) Lease Liabilities	31	125.25	-
iii) Trade payables			
a) total outstanding dues of micro enterprises and small enterprises; and	18	782.35	0.43
b) total outstanding dues of creditors other than micro enterprises and small enterprises	18	1,387.07	0.07
iv) Other financial liabilities	13B.	538.22	-
b Other current liabilities	16	862.61	-
c Provisions	14B.	129.23	0.75
d Current tax liabilities (net)	19	1,011.71	-
<b>Total Current Liabilities</b>		<b>5,084.69</b>	<b>1.25</b>
<b>Total Liabilities</b>		<b>6,484.32</b>	<b>1.25</b>
<b>Total Equity and Liabilities</b>		<b>20,259.65</b>	<b>5.07</b>
Material Accounting Policies	1 & 2		
The accompanying notes form an integral part of the financial statements	3 to 46		

In terms of our report of even date

**For Sharp & Tannan Associates**

Chartered Accountants  
Firm's Registration No.: 109983W

**Parthiv S. Desai**  
Partner  
Membership No.: 042624

Date: May 06, 2024  
Place: Mumbai

For and on behalf of the Board of Directors

**M.C. TAHILYANI**  
Managing Director  
DIN : 01423084

**VIKRAM V. NAGAR**  
Chief Financial Officer

Date: May 06, 2024  
Place: Mumbai

**JAI L. MAVANI**  
Director  
DIN : 05260191

**RUPA KHANNA**  
Company Secretary  
Membership No : A33322

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024**

Particulars	Note No.	Year ended March 31, 2024 ₹ in Lakhs	Year ended March 31, 2023 ₹ in Lakhs
I Revenue from operations	20	22,849.66	-
II Other income	21	105.94	-
III <b>Total Income (I + II)</b>		<b>22,955.60</b>	-
IV <b>Expenses:</b>			
Cost of materials consumed	22	8,050.05	-
Purchases of stock-in-trade		128.72	-
Changes in inventories of finished goods, work-in-progress and stock-in-trade	22	(220.04)	-
Employee benefits expense	23	4,106.51	-
Finance cost	24	115.86	-
Depreciation and amortisation expense	25	1,144.59	-
Other Expenses	26	5,646.88	1.18
<b>Total expenses</b>		<b>18,972.57</b>	<b>1.18</b>
V <b>Profit before exceptional items and tax (III - IV)</b>		<b>3,983.03</b>	<b>(1.18)</b>
VI <b>Profit / (Loss) before tax (V-VI)</b>		<b>3,983.03</b>	<b>(1.18)</b>
VII <b>Tax expense / (credit):</b>			
Current tax	27	1,011.71	-
Deferred tax	27	0.21	-
		<b>1,011.92</b>	-
VIII <b>Profit / (loss) for the year (VII-VIII)</b>		<b>2,971.11</b>	<b>(1.18)</b>
IX <b>Other Comprehensive Income</b>			
A) (i) <b>Items that will not be reclassified to Statement of Profit and Loss</b>			
Remeasurement of the defined benefit plans		8.41	-
(ii) <b>Income tax relating to these items</b>			
Deferred tax	27	2.12	-
		<b>6.29</b>	-
X <b>Total Comprehensive Income / (Loss) for the year (IX + X)</b>		<b>2,977.40</b>	<b>(1.18)</b>
XI <b>Earning per equity share :</b>			
Basic and diluted earnings per equity share After Exceptional Items	28	₹ 110.63	-₹ 2.35

Material Accounting Policies

1 &amp; 2

The accompanying notes form an integral part of the financial statements

3 to 46

In terms of our report of even date

**For Sharp & Tannan Associates**Chartered Accountants  
Firm's Registration No.: 109983W**Parthiv S. Desai**Partner  
Membership No.: 042624Date: May 06, 2024  
Place: Mumbai

For and on behalf of the Board of Directors

**M.C. TAHILYANI**  
Managing Director  
DIN : 01423084**JAI L. MAVANI**  
Director  
DIN : 05260191**VIKRAM V. NAGAR**  
Chief Financial Officer**RUPA KHANNA**  
Company Secretary  
Membership No : A33322Date: May 06, 2024  
Place: Mumbai

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2024

Particulars	Year ended March 31, 2024		Year ended March 31, 2023	
	₹ in Lakhs		₹ in Lakhs	
<b>Cash flows from operating activities</b>				
<b>Profit before tax</b>		3,983.03		(1.18)
<b>Adjustments for -</b>				
Depreciation, amortisation and impairment expense	1,144.59		-	
Interest income earned on financial assets that are not designated as at fair value through profit or loss:				
i) Bank deposits	(7.81)		-	
Finance costs	115.86		-	
(Gain)/loss on disposal of property, plant and equipment	(3.56)		-	
Credit balances / excess provision written back	(15.36)		-	
Provision for doubtful loans and advances	(0.57)		-	
Trade receivables written off	(39.35)		-	
Net unrealised exchange Gain	(31.27)		-	
		1,162.53		-
<b>Operating profit before working capital changes</b>		<b>5,145.56</b>		<b>(1.18)</b>
<b>Changes in working capital:</b>				
Increase in trade and other receivables (₹ (2,236.80) Lakhs taken over due to scheme of arrangement (Ref. Note 38))	(4,093.67)		(0.07)	
(Increase)/Decrease in inventories (₹ (3,115.25) Lakhs taken over due to scheme of arrangement (Ref. Note 38))	(3,846.87)		-	
(Increase)/Decrease in other assets	(384.87)		-	
Increase/(Decrease) in trade and other payables (₹ (1,833.20) Lakhs taken over due to scheme of arrangement (Ref. Note 38))	2,179.79		0.50	
Increase/ (Decrease) in provisions	686.04		-	
Increase/(Decrease) in other liabilities	862.61		0.75	
		(4,596.97)		1.18
<b>Cash generated from operations</b>		<b>548.59</b>		-
Income taxes paid/ refunds received (net)		397.07		-
<b>(a) Net cash flow generated from operating activities</b>		<b>945.66</b>		-
<b>Cash flows from investing activities:</b>				
Payments for property, plant and equipment (including investment properties, intangible assets and advances) (₹ (8,731.38) Lakhs taken over due to scheme of arrangement (Ref. Note 38))	(9,726.46)		-	
Proceeds from disposal of property, plant and equipment (including investment properties and intangible assets)	3.76		-	
Other Loans & Advances	(2.69)		-	
Interest received	7.81		-	
<b>(b) Net cash flow generated from/(used in) investing activities</b>		<b>(9,717.58)</b>		-

Particulars	Year ended March 31, 2024		Year ended March 31, 2023	
	₹ in Lakhs		₹ in Lakhs	
<b>Cash flows from financing activities:</b>				
Proceeds from long-term borrowings	1,256.20		-	
Repayment of long-term borrowings	(713.80)		-	
Finance costs paid	67.36		-	
Proceeds from Equity issue of scheme of arrangement (₹ 10,794.10 Lakhs taken over due to scheme of arrangement (Ref. Note 38))	9,788.48		5.00	
Payment of Lease Liabilities	(35.69)		-	
<b>(c) Net cash flow generated from/(used in) financing activities</b>		<b>10,362.55</b>		<b>5.00</b>
<b>(d) Net increase in cash and cash equivalents (a + b + c)</b>		<b>1,590.63</b>		<b>5.00</b>
<b>(e) Cash and cash equivalents as at the commencement of the year</b>		<b>5.00</b>		<b>-</b>
<b>(f) Cash and cash equivalents as at the end of the year (d + e)</b>		<b>1,595.63</b>		<b>5.00</b>
<b>Cash and cash equivalents as per above comprise of the following</b>	<b>March 31, 2024</b>		<b>March 31, 2023</b>	
Balances with bank				
- In current accounts		1,595.63		5.00
<b>Balances as per statement of cash flows</b>		<b>1,595.63</b>		<b>5.00</b>

**Notes:**

- The above Cash Flow Statement has been prepared under the "Indirect Method" setout in Indian Accounting Standard - 7 on Statement of Cash Flows.
- The cash flow statement shown above has been adjusted to reflect the impact of the Scheme of Arrangement (Refer Note 38). This adjustment ensures that the net cash flow arising from the operating, investing, and financing activities is accurately accounted for.

The accompanying notes form an integral part of the financial statements 3 to 46

In terms of our report of even date  
**For Sharp & Tannan Associates**

Chartered Accountants  
 Firm's Registration No.: 109983W

**Parthiv S. Desai**  
 Partner  
 Membership No.: 042624

Date: May 06, 2024  
 Place: Mumbai

For and on behalf of the Board of Directors

**M.C. TAHILYANI**  
 Managing Director  
 DIN : 01423084

**VIKRAM V. NAGAR**  
 Chief Financial Officer

Date: May 06, 2024  
 Place: Mumbai

**JAI L. MAVANI**  
 Director  
 DIN : 05260191

**RUPA KHANNA**  
 Company Secretary  
 Membership No : A33322

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024

### a. Equity share capital

Particulars	₹ in Lakhs
<b>Balance as at the beginning of the year</b>	<b>5.00</b>
Cancellation of Shares as per scheme of arrangement (Ref. Note 38)	(5.00)
Paid up share Capital as per scheme of arrangement, subject to allotment of shares (Ref. Note 38)	5,159.45
<b>Balance as at end of the period</b>	<b>5,159.45</b>

### b. Other equity

₹ in Lakhs

Particulars	Reserves and surplus		Other Comprehensive Income	Total
	Capital Reserves on Demerger	Retained earnings		
Balance as at the beginning of the year	-	(1.18)	-	<b>(1.18)</b>
Impact of demerger as per Scheme of arrangement (Ref. Note 38)	(3,864.58)	9,744.35	(5.67)	<b>5,874.10</b>
Deferred Tax liability (Ref Note 38)		(234.44)		<b>(234.44)</b>
Profit / (loss) for the year	-	2,971.11	-	<b>2,971.11</b>
Other comprehensive income / (loss) for the year, net of income tax	-	-	6.29	<b>6.29</b>
Total comprehensive income / (loss) for the year	-	2,971.11	6.29	<b>2,977.40</b>
<b>Balance as at end of the year</b>	<b>(3,864.58)</b>	<b>12,479.84</b>	<b>0.62</b>	<b>8,615.88</b>

Material Accounting Policies 1 & 2

The accompanying notes form an integral part of the financial statements 3 to 46

In terms of our report of even date

**For Sharp & Tannan Associates**

Chartered Accountants  
Firm's Registration No.: 109983W

**Parthiv S. Desai**  
Partner  
Membership No.: 042624

Date: May 06, 2024  
Place: Mumbai

For and on behalf of the Board of Directors

**M.C. TAHILYANI**  
Managing Director  
DIN : 01423084

**JAI L. MAVANI**  
Director  
DIN : 05260191

**VIKRAM V. NAGAR**  
Chief Financial Officer

**RUPA KHANNA**  
Company Secretary  
Membership No : A33322

Date: May 06, 2024  
Place: Mumbai

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### 1. GENERAL INFORMATION

Forbes Precision Tools And Machine Parts Limited was incorporated on August 30, 2022 in India having registered office at Forbes Building, Charanjit Rai Marg, Fort, Mumbai-400001. Its parent company is Shapoorji Pallonji & Company Private Limited. The Company is mainly engaged in the business of manufacturing, trading & servicing of engineering and related products and Machine & Machine parts.

### 2. MATERIAL ACCOUNTING POLICIES

#### i) Statement of Compliance with Ind AS

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

#### ii) Basis of Preparation and Presentation

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

- Certain financial assets and liabilities (including derivative instruments) is measured at fair value;
- defined benefit plans - plan asset measured at fair value

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

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

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

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

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

During the year, the Company engaged in a Scheme of Arrangement known as the "Scheme" that resulted in the demerger of the Precision Tools business of Forbes & Company Limited (the "Demerged Company") into a Forbes Precision Tools and Machine Parts Limited (the "Resulting Company"). This demerger was approved by the National Company Law Tribunal (NCLT), Mumbai Bench on 9<sup>th</sup> February 2024, and the certified copy of the order was received on 20<sup>th</sup> February 2024. The effective date of the merger is 1<sup>st</sup> March 2024.

#### iii) Property, Plant and Equipment

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

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

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

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

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

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



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

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

Sr. No.	Class of assets	Estimated useful life
a	Building - Factory & Office Buildings	30 - 60 years
b	Plant and Equipment	03 - 20 years
c	Furniture and Fixtures	03 -10 years
d	Vehicles	4 years
e	Office equipment, Data processing equipments:- - Owned - Leased	Office equipments 5 years and Data processing equipments 3 to 6 years. Lower of lease term and useful life as stated above
f	Buildings on leasehold land	Lower of the useful life in the range of 30 - 60 years and the lease term building useful life is based on technical certification
g	Temporary structures (included in building)	5 years
h	Solar Power Plant	25 years

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

### iv) Capital work-in-progress

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

### v) Intangible Assets

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

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

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

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

Cost of software is amortised over a period of 3-5 years being the estimated useful life.

### vi) Impairment of Assets

The Company assesses at end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the

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

### vii) Financial instruments

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

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

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)****Financial assets**

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

**Classification:**

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

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

All other financial assets are subsequently measured at fair value.

**Effective interest method**

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

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

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

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

**Impairment of financial assets**

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

rights to receive cash or other financial asset.

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

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

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

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

**Derecognition of financial assets**

A financial asset is derecognised only when

- The contractual rights to the cash flows from the financial asset expire, or
- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.
- The company has no obligation to pay amounts to the eventual recipients unless it collects equivalent amounts from the original asset. Short-term advances by the company with the right of full recovery of the amount lent plus accrued interest at market rates do not violate this condition.
- The company is prohibited by the terms of the transfer contract from selling or pledging the original asset other than as security to the eventual recipients for the obligation to pay them cash flows.
- The company has an obligation to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the company is not entitled to reinvest such cash flows, except for

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

investments in cash or cash equivalents (as defined in Ind AS 7 Statement of Cash Flows) during the short settlement period from the collection date to the date of required remittance to the eventual recipients, and interest earned on such investments is passed to the eventual recipients.

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

### Foreign exchange gains and losses

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

### Financial liabilities and equity instruments

#### Classification as debt or equity

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

#### Equity instruments

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

#### Financial liabilities

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

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

#### Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. A substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of

the financial liability derecognised and the consideration paid including any non-cash assets transferred or liabilities assumed, and payable is recognised in the Statement of Profit and Loss.

#### Offsetting financial instruments

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

#### Financial guarantee contracts

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

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

#### viii) Inventories

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

#### ix) Earnings per share

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

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)**

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

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

**x) Employee Benefits****a) Short-term employee benefits**

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

**b) Other long-term employee benefits**

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

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

**c) Post-employment obligations**

The Company operates the following post-employment schemes:

- Defined Contribution plans such as employee state insurance scheme.
- Defined Benefit plans such as gratuity.

**Defined Contribution Plans**

The Company's contribution to pension and employee state insurance scheme are considered as defined contribution plans, as the Company does not carry any further obligations apart from the contributions made

on a monthly basis and are charged as an expense based on the amount of contribution required to be made.

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

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

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

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

The eligible employees of the Company are entitled to receive post-employment benefits in respect of provident fund, in which both the employees and the Company make monthly contributions at a specified percentage as applicable of the employees' eligible salary. The contributions are made to the Employees provident fund department.

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

**xi) Provisions and Contingent Liabilities**

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

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

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

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

### **Onerous Contracts**

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

Contingent liability is disclosed for (i) Possible obligations that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made, unless the possibility of outflows of resources embodying economic benefits are remote.

### **xii) Revenue recognition**

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

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

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

#### **1 Sale of goods:**

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

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

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

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

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

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

#### **2 Sale of Services:**

Income from other services is recognised as and when the services are performed as per the terms of agreement with the respective parties.

#### **3 Interest and Dividend Income:**

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

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

#### **4 Export Incentives:**

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

### **xiii) Foreign currency transactions and balances**

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

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



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)**

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

**xiv) Lease accounting****As a lessee:**

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

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

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

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

To determine the incremental borrowing rate, the Company:

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

The Company is exposed to potential future increases in variable lease payments based on index or rate, which are not included in the lease liability until they take effect. When

adjustment to lease payments based on index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

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

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

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

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

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

**As a lessor:**

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

**xv) Taxes on Income**

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

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

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

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

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

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

### xvi) Segment Reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenue and incur expenses, whose operating results are regularly reviewed by the Company's chief operating decision maker in order to effectively allocate the Company's resources and assess performance.

### xvii) Non-current assets held for sale

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

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

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

### xviii) Cash and cash equivalents

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

### xix) Dividend

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

### xx) Exceptional Items

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

## 2B. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

### (a) Critical judgements in applying accounting policies

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

### (b) Key sources of estimation uncertainty

#### i) Contingent Liabilities and Provisions :

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

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)****ii) Useful life and residual value of Property, Plant and Equipment :**

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

**iii) Impairment**

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

**iv) Impairment of Trade Receivables**

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

**v) Impairment/ Obsolescence of Inventory**

The impairment/obsolescence provisions of inventory are based on assumptions of its consumption/usage

in near future whether short term or long term. The Company uses its judgement in making these assumptions and selecting the inputs based on the past historical data, present and future market condition estimated at the end of each reporting period.

**vi) Defined Benefit Obligations**

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

**vii) Deferred Tax Asset**

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

3 Property, plant and equipment

₹ in Lakhs

Particulars	Building and structures	Vehicles	Data processing equipments (Computer Hardware)	Office equipments	Furniture and fixtures	Plant and machinery	Data processing equipments Lease	Total
<b>Cost or Deemed cost</b>								
<b>Balance at April 1, 2023</b>	-	-	-	-	-	-	-	-
Transferred through Scheme of arrangement (Ref. Note 38)	4,439.14	41.96	220.84	64.39	108.68	16,497.40	5.48	21,377.89
Additions	29.17	54.17	8.32	8.89	20.57	1,095.32	-	1,216.45
Disposal	-	-	0.99	3.97	-	18.87	-	23.83
<b>Balance at 31<sup>st</sup> Mar, 2024</b>	<b>4,468.31</b>	<b>96.13</b>	<b>228.17</b>	<b>69.31</b>	<b>129.25</b>	<b>17,573.85</b>	<b>5.48</b>	<b>22,570.51</b>
<b>Accumulated depreciation and impairment</b>								
<b>Balance at April 1, 2023</b>	-	-	-	-	-	-	-	-
Transferred through Scheme of arrangement (Ref. Note 38)	885.68	38.91	85.89	60.40	81.64	11,823.23	5.48	12,981.24
Eliminated on disposals of assets	-	-	0.80	3.97	-	18.87	-	23.64
Depreciation expense	153.76	3.45	37.38	2.75	5.92	881.92	-	1,085.19
<b>Balance at 31<sup>st</sup> Mar, 2024</b>	<b>1,039.44</b>	<b>42.37</b>	<b>122.47</b>	<b>59.18</b>	<b>87.56</b>	<b>12,686.28</b>	<b>5.48</b>	<b>14,042.79</b>
<b>Carrying Amount</b>								
<b>Balance at April 1, 2023</b>	-	-	-	-	-	-	-	-
<b>Balance at 31<sup>st</sup> Mar, 2024</b>	<b>3,428.87</b>	<b>53.77</b>	<b>105.70</b>	<b>10.13</b>	<b>41.68</b>	<b>4,887.57</b>	<b>-</b>	<b>8,527.72</b>

3A Capital work-in-progress

₹ in Lakhs

Particulars	As at 1 <sup>st</sup> Apr. 2023	Additions	Amounts Capitalised	As at March 31, 2024
Capital work in progress (Ref. Note 38)	-	1,305.34	836.68	468.67

Previous year

Particulars	As at 1 <sup>st</sup> Apr. 2022	Additions	Amounts Capitalised	As at March 31, 2023
Capital work in progress (Ref. Note 38)	-	-	-	-

Capital work-in-progress- Ageing

Current Year

Particulars	Less than one year	1-2 Years	2-3 Years	More than 3 years	Total
Projects in progress	468.67	-	-	-	468.67
Projescts temporarily suspended	-	-	-	-	-

Previous year

Particulars	Less than one year	1-2 Years	2-3 Years	More than 3 years	Total
Projects in progress	-	-	-	-	-
Projescts temporarily suspended	-	-	-	-	-

There are no material Capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan significantly.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

## 3B Other intangible assets (Own, unless otherwise stated)

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
	Software/ Licences acquired	Software/ Licences acquired
<b>Cost or Deemed cost</b>		
<b>Balance at 1<sup>st</sup> April, 2023</b>	-	-
Transferred through Scheme of arrangement (Ref. Note 38)	307.39	-
Disposal	20.82	-
<b>Balance at 31<sup>st</sup> Mar, 2024</b>	<b>286.57</b>	-
<b>Accumulated depreciation and impairment</b>		
<b>Balance at 1<sup>st</sup> April, 2023</b>	-	-
Transferred through Scheme of arrangement (Ref. Note 38)	209.90	-
Disposals of assets	20.82	-
Depreciation expense	36.19	-
<b>Balance at 31<sup>st</sup> Mar, 2024</b>	<b>225.28</b>	-
<b>Carrying Amount</b>		
<b>Balance at 1<sup>st</sup> April, 2023</b>	-	-
<b>Balance at 31<sup>st</sup> Mar, 2024</b>	<b>61.30</b>	-

Title deeds of immovable properties not held in the name of company

Description of Property	Gross Carrying Value (₹ in Lakhs)	Whether title deed holder is a promoter, director or their relative or employee	Period held - indicate range where appropriate (years)	Reason for not holding in the name of the Company	Relevant line item in the Balance Sheet
Plot B-13, Waluj Industrial Area Waluj, Aurangabad-431 133	9.97	No	Less than 1 Year	The Property is transferred under scheme of arrangement. The company applied to superintendent of Stamp for adjudication on 2 <sup>nd</sup> April 2024. The Payment of duty will happen after the confirmation of value.	Property, plant and equipment
Factory Building 1, Factory Building 2, Office Building and Canteen	3,428.87	No	Less than 1 Year	The Property is transferred under scheme of arrangement. The company applied to superintendent of Stamp for adjudication on 2 <sup>nd</sup> April 2024. The Payment of duty will happen after the confirmation of value.	Property, plant and equipment

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)**
**4. Trade receivables**

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Trade receivables</b>		
a) Trade receivables from contract with customers	2,821.49	-
b) Trade receivables from contract with customers – Related parties (Ref Note 29)	330.38	-
c) Less: Loss allowance	207.47	-
<b>Total</b>	<b>2,944.40</b>	<b>-</b>
<b>Break-up of security details</b>		
a) Secured, considered good	72.03	-
b) Unsecured, considered good	2,872.37	-
c) Doubtful	207.47	-
	3,151.86	-
Less: Allowance for doubtful debts (expected credit loss allowance)	207.47	-
<b>Total</b>	<b>2,944.40</b>	<b>-</b>

For Trade receivable from Related parties (Refer Note 29)

The average credit period on sales is approximately 56 days.

There were two customers namely TTI Partners SPC acting for whose outstanding is ₹ 798.77 Lakhs &amp; Universal Machinery Stores whose outstanding was ₹ 202.71 Lakhs (both other than Intercompany balances) who represent more than 5% of the total balance of trade receivables.

**Ageing of Trade receivables for the year ended 31<sup>st</sup> March, 2024**

₹ in Lakhs

Particular	Not due	Outstanding for the following periods from the due date					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed trade receivables</b>							
Considered good	2,531.46	412.94	-	-	-	-	2,944.40
which have significant increase in credit risk							-
credit impaired	-	12.14	8.80	5.78	9.49	171.26	207.47
<b>Disputed trade receivables</b>							
Considered good	-	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>2,531.46</b>	<b>425.08</b>	<b>8.80</b>	<b>5.78</b>	<b>9.49</b>	<b>171.26</b>	<b>3,151.86</b>
Less: Allowance for losses							207.47
<b>Total</b>	<b>2,531.46</b>	<b>425.08</b>	<b>8.80</b>	<b>5.78</b>	<b>9.49</b>	<b>171.26</b>	<b>2,944.40</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

Ageing of Trade receivables for the year ended 31<sup>st</sup> March, 2023

₹ in Lakhs

Particular	Not due	Outstanding for the following periods from the due date					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed trade receivables</b>							
Considered good	-	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-	-
<b>Disputed trade receivables</b>							
Considered good	-	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-
Less: Allowance for losses							-
<b>Total</b>	-	-	-	-	-	-	-

## Movement in the allowance for doubtful debts

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	-	-
Impairment losses recognised on receivables	21.60	-
Impairment losses included as part of scheme of arrangement	258.80	-
Amounts written off during the year as uncollectible	(39.58)	-
Amounts recovered during the year	(33.35)	-
<b>Balance at end of the year</b>	<b>207.47</b>	-

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

Trade receivables of ₹ 207.47 Lakhs were impaired. The individually impaired receivables were mainly due to unexpected difficult economic situations.



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)**

**5. Loans -Current**

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
a) Loans and advances to employees		
- Unsecured, considered good	3.26	-
<b>Total</b>	<b>3.26</b>	<b>-</b>

Note: The above loans are carried at amortised cost.

**6. Other financial assets**

**6A. Non current**

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
a) <b>Security deposits</b>		
- Unsecured, considered good	94.53	-
<b>Total</b>	<b>94.53</b>	<b>-</b>

**6B. Current**

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
a) <b>Contractually reimbursable expenses from related parties (Ref Note 29)</b>		
- Receivable due to Scheme of Arrangement (Ref Note 39)	881.93	-
- Receivable from Related Parties	255.90	-
<b>Total</b>	<b>1,137.83</b>	<b>-</b>

**7. Inventories**

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Inventories (lower of cost and net realisable value)</b>		
Raw materials including packing materials	920.50	-
Work-in-progress	1,130.71	-
Finished goods	1,608.90	-
Stores and spares	186.76	-
<b>Total</b>	<b>3,846.87</b>	<b>-</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

## 8. Cash and cash equivalents

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with Banks		
a) In Current Accounts	1,595.63	5.00
<b>Total</b>	<b>1,595.63</b>	<b>5.00</b>

## 9. Other assets

## 9A. Non Current

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
a) Capital Advances	278.56	-
b) Prepaid expenses	18.13	-
c) Balances with Government authorities		
- Doubtful	39.29	-
Less : Allowance for doubtful balances	39.29	-
<b>Total</b>	<b>296.69</b>	<b>-</b>

## 9B. Current

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
a) Advances for supply of goods and services		
- Unsecured, considered good	24.59	-
- Doubtful	0.33	-
Less : Allowance for doubtful advances	0.33	-
	<b>24.59</b>	<b>-</b>
b) Prepaid expenses	40.05	-
c) Balances with government authorities	0.00	0.07
d) Export incentives receivables	23.60	-
<b>Total</b>	<b>88.25</b>	<b>0.07</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)**

**10. Equity share capital**

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Authorised Share capital :</b>		
7,80,00,000 fully paid equity shares of ₹ 10 each (Previous year 50,000 fully shares of ₹10 each)	7,800.00	5.00
	<b>7,800.00</b>	<b>5.00</b>
<b>Issued, subscribed and paid-up share capital:</b>		
5,15,94,464 fully paid equity shares of ₹ 10 each (Previous year 50,000 fully shares of ₹10 each) (Ref. Note 38)	5,159.45	5.00
	<b>5,159.45</b>	<b>5.00</b>

**Rights, preferences and restrictions attached to equity shares**

The Company has only one class of shares referred to as equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**1 Details of shares held by the holding company, its subsidiaries and associates**

Particulars	Fully paid Equity shares	
	As at March 31, 2024	As at March 31, 2023
Shapoorji Pallonji and Company Private Limited, the holding company	3,74,37,172	-
Forbes & Company Limited (Cancellation of Shares as per scheme of arrangement (Ref. Note 38))	-	50,000
<b>Total</b>	<b>3,74,37,172</b>	<b>50,000</b>

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

Particulars	Fully paid Equity shares			
	As at March 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2023
	Number of shares held	% holding in the class of shares	Number of shares held	% holding in the class of shares
<b>Fully paid equity shares</b>				
Shapoorji Pallonji and Company Private Limited	3,74,37,172	72.56	-	-
India Discovery Fund Limited	45,93,020	8.90	-	-
Forbes & Company Limited	-	-	50,000	100.00
<b>Total</b>	<b>4,20,30,192</b>	<b>81.46</b>	<b>50,000</b>	<b>100.00</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

## 3 Details of shareholding of promoters

Name of the promoter	Fully paid Equity shares	
	As at March 31, 2024	As at March 31, 2023
	Number of shares held	Number of shares held
Shapoorji Pallonji and Company Private Limited	3,74,37,172	-
Forbes Campbell Finance Limited	6,65,592	-
Forbes & Company Limited	-	50,000
<b>Total</b>	<b>3,81,02,764</b>	<b>50,000</b>

## 11. Other equity

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
<b>a) Reserves and surplus</b>		
<b>Retained earnings</b>		
<b>Balance at beginning of the year</b>	(1.18)	-
Impact due to Scheme of arrangement (Ref. Note 38)	9,744.35	(1.18)
Deferred Tax liability (Ref Note 38)	(234.44)	-
Profit for the year	2,971.11	-
<b>Balance at end of the year</b>	<b>12,479.84</b>	<b>(1.18)</b>
<b>Capital Reserve on account of the Scheme of arrangement</b>		
Balance at beginning of the year	-	-
Impact due to Scheme of arrangement (Ref. Note 38)	(3,864.58)	-
<b>Balance at end of the year</b>	<b>(3,864.58)</b>	<b>-</b>
<b>b) Other Comprehensive Income</b>		
Balance at beginning of year	-	-
Impact due to Scheme of arrangement (Ref. Note 38)	(5.67)	-
Add: Current year OCI	6.29	-
<b>Balance at end of the year</b>	<b>0.62</b>	<b>-</b>
<b>Total</b>	<b>8,615.88</b>	<b>(1.18)</b>

## Description of Reserves

**Retained earnings** - Retained earnings represent the amount of accumulated earnings of the Company

**Other Comprehensive income:** Other comprehensive income comprises items of income and expense (including reclassification adjustments) that are not recognised in profit or loss as required or permitted by other Ind As.

**Capital Reserve on account of the Scheme of arrangement:** The difference between Paid up share capital of FCL and Paid up share capital issued by FPTL in terms of scheme of arrangement is considered as negative capital reserve.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)**

**12. Non-current Borrowings**

₹ in Lakhs

Particulars	Non-current	Current maturities	
	As at March 31, 2024	As at March 31, 2024	As at March 31, 2023
<b>(a) Term loans</b>			
<b>From banks</b>			
i) DCB Bank Limited Term Loan - under the Central Government launched Emergency Credit Line Guarantee Scheme 2.0 (ECLGS 2.0) - Secured by second charge on leasehold land and factory building together with Plant & Machinery and other support facilities situated at Waluj, MIDC, Aurangabad.			
[Repayable in 48 equated monthly installments, after moratorium of 12 months. First installment is due on 4 <sup>th</sup> April, 2022 and last installment is due on 4 <sup>th</sup> March, 2026. Rate of interest is MCLR + 0.81% spread with a cap of 9.25% p.a. during entire tenure of the loan	294.15	248.25	-
Pursuant to Scheme of arrangement the said Term Loan is transferred to the company. (Ref Note 38)			
Less: Amount disclosed under "Current Borrowings"	-	(248.25)	-
<b>Total</b>	<b>294.15</b>	<b>-</b>	<b>-</b>

**13. Other financial liabilities**

**13A. Non Current**

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Security deposits	95.15	-
<b>Total</b>	<b>95.15</b>	<b>-</b>

**13B. Current**

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
a) Interest accrued but not due on borrowings	3.56	-
b) Others :-		
- Payables on purchase of fixed assets	452.79	-
- Security deposits	28.49	-
- Other Payables to Related parties (Ref Note 29)	53.38	-
<b>Total</b>	<b>538.22</b>	<b>-</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

## 14. Provisions

## 14A. Non current

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
<b>a) Employee benefits</b>		
Compensated absences	122.52	-
Gratuity (Ref Note 30)	435.04	-
<b>Total</b>	<b>557.56</b>	<b>-</b>

## 14B. Current

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Employee benefits</b>		
Compensated absences	56.28	-
Gratuity (Ref Note 30)	72.95	-
Other Provisions	-	0.75
<b>Total</b>	<b>129.23</b>	<b>0.75</b>

## 15. Deferred tax balances

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

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax liabilities	236.77	-
<b>Net</b>	<b>236.77</b>	<b>-</b>

Particulars	Opening balance	Transferred pursuant to Scheme of Arrangement (Ref Note 38)	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	Closing balance
<b>Deferred tax (liabilities)/assets in relation to:</b>					
a) Property, plant and equipment	-	(378.89)	10.15	-	(368.75)
b) Right of Use Assets	-	(9.33)	(77.02)	-	(86.35)
c) Lease Liability	-	7.75	78.13	-	85.89
d) Allowances for doubtful debts and advances	-	75.25	(13.06)	-	62.19
e) Defined benefit obligation	-	-	-	-	-
f) Provisions and liabilities to be allowed on payment basis	-	70.78	(17.07)	(2.12)	51.59
g) Stamp duty/ROC fees	-	-	15.16	-	15.16
h) Disallowance u/s 40(a)(ia)	-	-	3.50	-	3.50
<b>Total</b>	<b>-</b>	<b>(234.44)</b>	<b>(0.21)</b>	<b>(2.12)</b>	<b>(236.77)</b>



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)**

**16. Other liabilities**

**Current**

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
a) Advances from customers	30.42	-
b) Statutory remittances	133.56	-
c) Others		
- Payable to Employees	696.35	-
- Others	2.29	-
<b>Total</b>	<b>862.61</b>	<b>-</b>

**17. Borrowings**

**Current**

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Current maturities of long term borrowings	248.25	-
<b>Total</b>	<b>248.25</b>	<b>-</b>

**18. Trade payables**

**Current**

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Micro and small enterprises	782.35	0.43
Others (includes due to related parties as per Note 29)	1,387.07	0.07
<b>Total</b>	<b>2,169.43</b>	<b>0.50</b>

**Trade Payable as on 31<sup>st</sup> March 2024**

₹ in Lakhs

Particulars	Not due	Outstanding for the following periods from the due date				
		6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>Undisputed trade payables</b>						
Micro enterprises and small enterprises	782.35	-	-	-	-	782.35
Others	1,329.13	57.94	-	-	-	1,387.07
<b>Disputed trade receivables</b>						
Micro enterprises and small enterprises	-	-	-	-	-	-
Others	-	-	-	-	-	-
<b>Total</b>	<b>2,111.49</b>	<b>57.94</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,169.43</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

*Trade Payable as on 31<sup>st</sup> March 2023*

Particulars	Not due	Outstanding for the following periods from the due date				
		6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>Undisputed trade payables</b>						
Micro enterprises and small enterprises	0.43	-	-	-	-	0.43
Others	0.07	-	-	-	-	0.07
<b>Disputed trade receivables</b>						
Micro enterprises and small enterprises	-	-	-	-	-	-
Others	-	-	-	-	-	-
<b>Total</b>	<b>0.50</b>	-	-	-	-	<b>0.50</b>

The information as required under Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company and relied upon by Auditors, is as follows:-

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	675.70	0.43
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	(87.69)	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	25.31	-
Further interest remaining due and payable for earlier years	169.03	-

**19. Income tax assets and liabilities**

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Tax assets</b>		
Taxes paid (including tax deducted at source / self assessment tax)	851.41	-
	<b>851.41</b>	-
<b>Tax liabilities</b>		
Income tax payable (net)	1,011.71	-
	<b>1,011.71</b>	-
<b>Net Asset</b>	<b>(160.30)</b>	-
<b>Movement during the year</b>		
Balance at the beginning of the year	-	-
Add: Taxes paid (including tax deducted at source / self assessment tax)	851.41	-
Less: Current tax payable for the year	(1,011.71)	-
<b>Balance at the year end</b>	<b>(160.30)</b>	-

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)**

**20. Revenue from operations**

The following is an analysis of the Company's revenue for the year from continuing operations.

₹ in Lakhs

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
<b>a) Sales</b>		
<b>Sale of products</b>		
i) Finished Goods	22,351.66	-
ii) Traded Good	231.15	-
	22,582.81	-
<b>Sale of services</b>		
i) Service income	78.66	-
	78.66	-
<b>b) Other operating revenues</b>		
i) Export incentives	105.75	-
ii) Others (mainly includes scrap sales)	82.45	-
	188.20	-
<b>Total (a+b)</b>	<b>22,849.66</b>	<b>-</b>

**21. Other Income**

₹ in Lakhs

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
<b>a) Interest Income</b>		
<b>Interest income earned on financial assets that are not designated as at fair value through profit or loss:</b>		
i) Bank deposits	7.81	-
ii) Customers and others	9.16	-
<b>Total (a)</b>	<b>16.97</b>	<b>-</b>
<b>b) Other Non-Operating Income</b>		
i) Credit balances / excess provision written back	15.36	-
ii) Gain on termination of lease (Ref Note 31)	3.78	-
iii) Miscellaneous income (mainly includes recoveries from group companies)	66.28	-
<b>Total (b)</b>	<b>85.41</b>	<b>-</b>
<b>c) Other gains and losses</b>		
i) Gain on disposal of property, plant and equipment	3.56	-
<b>Total (c)</b>	<b>3.56</b>	<b>-</b>
<b>Total (a + b + c)</b>	<b>105.94</b>	<b>-</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)****22. A. Cost of materials consumed (raw and packing materials)**

₹ in Lakhs

<b>Particulars</b>	<b>Year ended March 31, 2024</b>	<b>Year ended March 31, 2023</b>
Opening stock of raw materials including packing materials		
Raw materials including packing materials through scheme of arrangement (Ref. Note 38)	470.57	-
Purchases	8,499.98	-
	8,970.55	-
Less: Closing stock of raw materials including packing materials	920.50	-
	<b>8,050.05</b>	-
Consumption is arrived at on the basis of Acquisition through scheme of arrangement plus purchases less closing stock and includes the adjustments of excess and shortage as ascertained on physical count. (Ref. Note 38)		
<b>B. Changes in inventories of finished goods, work-in-progress and stock-in-trade.</b>		
a) Inventories at the end of the year:		
i) Finished goods	1,608.90	-
ii) Work-in-progress	1,130.71	-
	<b>2,739.61</b>	-
b) Inventories Acquisition through scheme of arrangement (Ref. Note 38)		
i) Finished goods	1,137.19	-
ii) Work-in-progress	1,028.67	-
iii) Stock-in-trade	353.70	-
	<b>2,519.57</b>	-
<b>Net increase (b)-(a)</b>	<b>(220.04)</b>	-

**23. Employee benefits expense**

₹ in Lakhs

<b>Particulars</b>	<b>Year ended March 31, 2024</b>	<b>Year ended March 31, 2023</b>
i) Salaries and Wages	3,594.49	-
ii) Contribution to provident and other funds (Refer Note 30)	241.38	-
iii) Staff Welfare Expenses	270.64	-
<b>Total</b>	<b>4,106.51</b>	-

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)**

**24. Finance costs**

₹ in Lakhs

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
<b>(a) Interest costs :-</b>		
i) Interest on bank overdrafts and loans	76.93	-
ii) Interest on loans from related parties	1.08	-
ii) Interest expenses on lease liabilities	10.63	-
iii) Delayed payment of taxes	0.59	-
iv) Other interest expense	25.31	-
	<b>114.55</b>	-
(b) Other borrowing costs	1.32	-
<b>Total</b>	<b>115.86</b>	-

**25. Depreciation and amortisation expense**

₹ in Lakhs

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
i) Depreciation on property, plant and equipment (Refer Note 3)	1,085.19	-
ii) Depreciation Right-of-use assets (Ref Note 31)	23.21	-
iii) Amortisation of intangible assets (Refer Note 3)	36.19	-
<b>Total</b>	<b>1,144.59</b>	-

**26. Other expenses**

₹ in Lakhs

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Consumption of stores and spare parts	810.36	-
Processing charges	1,418.33	-
Power and fuel	555.94	-
Service charges	567.58	-
Rent and hire charges	2.66	-
<b>Repairs and maintenance to :</b>		
i) Buildings	45.35	-
ii) Plant and machinery	371.82	-
iii) Others	226.76	-
	<b>643.93</b>	-
Insurance	44.27	-
Rates and taxes	46.68	0.03
Selling expenses, commission and brokerage	35.02	-
Freight and outward charges	352.70	-
Advertisement and sales promotion	195.49	-
Printing and Stationery	39.59	-
Communication	32.77	-

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)****26. Other expenses (Contd.)**

₹ in Lakhs

<b>Particulars</b>	<b>Year ended March 31, 2024</b>	<b>Year ended March 31, 2023</b>
Legal and professional charges	327.05	0.40
Travelling and conveyance	240.50	-
Trade receivables written off	39.35	-
Less: Provision held	(39.35)	-
	-	-
Provision for doubtful loans and advances	(0.57)	-
Corporate social responsibility expenditure (Refer Note 1 below)	-	-
Net loss on Foreign currency transactions and translations	6.79	-
Security Expenses	59.41	-
Miscellaneous expenses	249.36	-
Auditors remuneration		
<b>To Statutory Auditors</b>		
i) For audit	10.00	0.75
ii) For other services & Certifications	5.00	-
	15.00	0.75
To Cost auditors	4.01	-
	19.01	0.75
<b>Total</b>	<b>5,646.88</b>	<b>1.18</b>

**Note 1:** Details of Corporate social responsibility expenditure:

As per Section 135 of the Act, a Company does not meet the applicability threshold, thus Corporate social responsibility expenditure is not applicable for the FY ended 31<sup>st</sup> March 2024 & FY ended 31<sup>st</sup> March 2023.

**27. Income taxes****Income tax recognised in profit or loss**

₹ in Lakhs

<b>Particulars</b>	<b>Year ended March 31, 2024</b>	<b>Year ended March 31, 2023</b>
<b>For Continuing operations</b>		
<b>Current tax</b>		
In respect of the current year	1,011.71	-
	<b>1,011.71</b>	-
<b>Deferred tax</b>		
In respect of the current year	2.33	-
	<b>2.33</b>	-
<b>Total income tax expense recognised in the current year relating to continuing Operations</b>	<b>1,014.04</b>	-



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

### 27. Income taxes (Contd.)

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

₹ in Lakhs

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
<b>Profit before tax from total operations</b>	<b>3,983.03</b>	<b>(1.18)</b>
Income tax expense calculated at 25.168% (2022-23: 25.168%)	1,002.45	-
Effect of expense that is non deductible in determining taxable profit	6.37	-
Effect of tax incentives and concession	2.09	-
Others	1.01	-
<b>Income tax expense recognised in the Statement of Profit and Loss</b>	<b>1,011.92</b>	<b>-</b>
<b>Income tax recognised in other comprehensive income</b>		
<b>Others</b>		
<b>Deferred tax</b>		
Re-measurement of defined benefit obligation	2.12	-
<b>Total income tax expense recognised in other comprehensive income</b>	<b>2.12</b>	<b>-</b>

### 28. The calculation of profit attributable to equity shareholders and weighted average number of equity shares

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Profit / (loss) for the period attributable to the owners of company ₹ in Lakhs	2,971.11	(1.18)
Face value per equity share	10.00	10.00
Weighted average number of equity shares shares for the purpose of basic earning per share (Nos)	26,85,739	50,000
<b>Basic and diluted earnings per equity share</b>	<b>110.63</b>	<b>(2.35)</b>

#### Basic Earning Per share

The earnings and weighted average number of equity shares used in the calculation of basic earning per share are as follows:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Profit / (loss) for the period attributable to the owners of company ₹ in Lakhs	2,971.11	(1.18)
Weighted average number of equity shares shares for the purpose of basic earning per share (Nos)	26,85,739	50,000

**Note 1:** As per the Scheme of Arrangement, FPTL issued and allotted four fully paid-up equity shares of ₹ 10/- each for every one fully paid-up equity share of ₹ 10/- each held by the equity shareholders of the Demerged Company (FCL) as on the Record Date. The issuance and allotment of equity shares took place on 13<sup>th</sup> March 2024. The total number of issued and allotted equity shares is 5,15,94,464, which has been diluted for a weighted average equity share of 26,85,739. As per IND AS 33, the weighted average of equity shares has been calculated from the acquisition date. Based on the above consideration, the EPS (earnings per share) is calculated to be ₹ 110.63 per share. However, if the appointed date, which is April 01, 2023, is considered as the acquisition date, then the EPS calculated is ₹. 5.76 per share.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)****29. Related Party Disclosures****(a) Name of the Related Parties and Description of Relationship:**

Nature of Relationship	Name of Entity (Where there are transactions)
A Holding Company	Shapoorji Pallonji & Company Private Limited
B Fellow Subsidiaries (Where there are transactions)	Forbes & Company Limited Forbes Campbell Finance Ltd. Campbell Properties & Hospitality Services Ltd. Forvol International Services Ltd. Sterling And Wilson Renewable Energy Ltd. Forbes Macsa Pvt Ltd

₹ in Lakhs

		A		B	B	B	B		
		Shapoorji Pallonji and Company Private Ltd.	Parties in A above	Forbes & Company Limited	Forbes Campbell Finance Ltd.	Campbell Properties & Hospitality Services Ltd.	Forvol International Services Ltd.	Parties in B above	Total
	<b>Balances</b>								
1	Trade Payables and Capital Creditors	-	-	477.48	0.62	0.06	0.64	478.80	478.80
2	Trade Receivable	-	-	330.38	-	-	-	330.38	330.38
3	Receivable pursuant to the Scheme of arrangement	-	-	881.93	-	-	-	881.93	881.93
	<b>Purchases / Services</b>								
4	Fixed Assets/ Goods & Materials	-	-	437.59	-	-	-	437.59	437.59
	<b>Expenses</b>								
5	Rent	-	-	9.99	0.69	-	-	10.68	10.68
6	Travelling and conveyance expenses	-	-	-	-	0.05	1.37	1.42	1.42
7	Interest Paid	-	-	1.08	-	-	-	1.08	1.08
	<b>Other Receipts / Payments</b>								
8	Other Reimbursements (Receipt)	-	-	1,719.00	-	-	-	1,719.00	1,719.00
9	Other Reimbursements (Payment)	-	-	63.17	-	-	-	63.17	63.17
	<b>Finance</b>								
10	ICD taken	-	-	75.00	-	-	-	75.00	75.00
11	ICD Repayment	-	-	75.00	-	-	-	75.00	75.00

**Terms and conditions:-**

- All outstanding balances are unsecured and are repayable as per terms of credit and settlement occurs in cash.
- All related party transactions entered during the year were in ordinary course of business and on arms length basis.
- The Company has not recorded any impairment of receivables related to amounts owed by related parties except as stated above.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)**

₹ in Lakhs

	A	B	B	B	B	B	B	B	B	B	Parties in B above	Total
	Shapoorji Pallonji and Company Private Ltd.	Forbes & Company Limited	Forbes Campbell Finance Ltd.	Campbell Properties & Hospitality Services Ltd.	Forvol International Services Ltd.	Sterling And Wilson Renewable Energy Ltd.	Forbes Macsa Pvt Ltd	Parties in B above				
<b>Balances</b>												
1 Trade Payables and Capital Creditors	22.98	-	1.08	2.59	2.90	2.60	-	9.17			9.17	32.15
2 Interest accrued on investment / loan	-	0.66	-	-	-	-	-	0.66			0.66	0.66
3 Advance for Supply of Goods and Services and Prepaid Exps.	7.66	-	-	-	-	-	-	-			-	7.66
4 Receivable pursuant to the Scheme of arrangement	-	2,725.58	-	-	-	-	-	2,725.58			2,725.58	2,725.58
5 Deposits/ICD Payable	-	75.00	-	-	-	-	-	75.00			75.00	75.00
<b>Expenses</b>												
6 Rent	-	-	6.60	-	-	-	-	6.60			6.60	6.60
7 Travelling and conveyance expenses	-	-	-	4.22	55.04	-	-	59.26			59.26	59.26
8 Legal and professional charges	84.27	-	-	-	-	-	-	84.27			-	84.27
9 Repairs and Maintenance	115.48	-	-	-	-	4.37	-	119.85			4.37	119.85
10 Selling expenses, commission and brokerage	-	-	-	-	91.86	-	-	91.86			91.86	91.86
11 Interest Paid	-	0.66	-	-	-	-	-	0.66			0.66	0.66
<b>Income</b>												
12 Rent and amenities	-	-	-	-	-	-	41.35	41.35			41.35	41.35
<b>Other Receipts / Payments</b>												
13 Other Reimbursements (Receipt)	-	-	-	-	-	-	8.91	8.91			8.91	8.91
<b>Finance</b>												
14 ICD taken	-	75.00	-	-	-	-	-	75.00			75.00	75.00

Terms and conditions:-

- a) All outstanding balances are unsecured and are repayable as per terms of credit and settlement occurs in cash.
- b) All related party transactions entered during the year were in ordinary course of business and on arms length basis.
- c) The Company has not recorded any impairment of receivables related to amounts owed by related parties except as stated above.
- d) The Balances and Transaction shown above are carried forward due to the Scheme of arrangement. (Ref. Note 38)

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)****30. Employee Benefits :****Brief description of the Plans:**

The Company has various schemes for long term employees benefits such as Provident Fund, Gratuity, Employees State Insurance Fund (ESIC) and Employees' Pension Scheme and Compensated absences. The Company's defined contribution plans are Employees State Insurance Fund, Provident Fund, and Employees' Pension Scheme (under the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952). The Company has no further obligation beyond making the contributions to such plans. The Company's defined benefit plans include Gratuity.

**Gratuity**

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

The gratuity plan is a funded plan. The company having a plan to retail gratuity fund seperately in future. The Company accounts for gratuity benefits payable in future based on an independent external actuarial valuation carried out at the end of the year using the Projected Unit Credit method.

The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations, with the objective that assets of the gratuity / provident fund obligations match the benefit payments as they fall due.

**Provident Fund**

The eligible employees of the Company are entitled to receive post-employment benefits in respect of provident fund, in which both the employees and the Company make monthly contributions at a specified percentage as applicable of the employees' eligible salary. The contributions are made to the Employees provident fund department.

**Longevity risk**

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

**Salary risk**

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

**I. Charge to the Statement of Profit and Loss based on contributions:**

₹ in Lakhs

Particulars	Year Ended	
	As at March 31, 2024	As at March 31, 2023
Employer's contribution to Regional Provident Fund Office	65.90	-
Employer's contribution to Superannuation Fund	31.15	-
Employer's contribution to Employees' State Insurance Corporation and other funds	38.99	-

Included in Contribution to Provident and Other Funds (Refer Note 23)

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)**

**II. Disclosures for defined benefit plans based on actuarial valuation reports :-**

**A. Change in Defined Benefit Obligation**

₹ in Lakhs

Particulars	Gratuity (Funded)		Others (Post Retirement medical and non compete fees) (Non funded)	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Present Value of Defined Benefit Obligation as at beginning of the year	-	-	-	-
Current Service Cost	4.63	-	-	-
Liability Transferred In for employees joined	513.34	-	-	-
<b>Present Value of Defined Benefit Obligation as at the end of the year</b>	<b>517.98</b>	-	-	-

**B. Changes in the Fair Value of Assets**

₹ in Lakhs

Particulars	Gratuity (Funded)		Others (Post Retirement medical and non compete fees) (Non funded)	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Fair Value of Plan Assets as at beginning of the year	-	-	-	-
Contributions from employer	10.00	-	-	-
<b>Fair Value of Plan Assets as at the end of the year</b>	<b>10.00</b>	-	-	-

**C. Amount recognised in the Balance Sheet**

₹ in Lakhs

Particulars	Gratuity (Funded)		Others (Post Retirement medical and non compete fees) (Non funded)	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Present Value of Defined Benefit Obligation as at the end of the year	517.98	-	-	-
Fair Value of Plan Assets as at end of the year	10.00	-	-	-
<b>Net Liability recognised in the Balance Sheet</b>	<b>507.98</b>	-	-	-
<b>Recognised under:</b>				
Non - current provision	435.04	-	-	-
Current provision	82.94	-	-	-

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

## D. Expenses recognised in Statement of Profit and Loss

₹ in Lakhs

Particulars	Gratuity (Funded)		Others (Post Retirement medical and non compete fees) (Non funded)	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Current Service Cost	4.63	-	-	-
<b>Total Expenses recognised in the Statement of Profit and Loss</b>	<b>4.63</b>	<b>-</b>	<b>-</b>	<b>-</b>

## E. Expenses Recognized in the Other Comprehensive Income (OCI) for the Year

₹ in Lakhs

Particulars	Gratuity (Funded)		Others (Post Retirement medical and non compete fees) (Non funded)	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Actuarial (Gains)/Losses on Obligation for the Year - Due to changes in financial assumptions	-	-	-	-
Actuarial (Gains)/Losses on Obligation for the Year - Due to experience adjustment	-	-	-	-
Return on Plan Assets, excluding Interest Income	-	-	-	-
Actuarial (Gains)/Losses on Obligation for the Year - Due to changes in demographic assumptions	-	-	-	-
<b>Net (Income)/Expense For the year Recognized in OCI</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## F. Principal actuarial assumptions used:

Particulars	Gratuity (Funded)		Others (Post Retirement medical and non compete fees) (Non funded)	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Discount Rate (per annum)	7.18%	-	-	-
Salary escalation rate	4.50%	-	-	-
Rate of employee turnover	17.24%	-	-	-



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)**

**G. Movements in the present value of net defined benefit obligation are as follows:**

₹ in Lakhs

Particulars	Gratuity (Funded)		Others (Post Retirement medical and non compete fees) (Non funded)	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Opening Net Liability	-	-	-	-
Expenses Recognized in Statement of Profit or Loss	4.63	-	-	-
Expenses Recognized in OCI	-	-	-	-
Benefit Paid Directly by the Employer	-	-	-	-
Employer's Contribution	(10.00)	-	-	-
<b>Net Liability Recognized in the Balance Sheet</b>	<b>507.98</b>	-	-	-

**H. Category of Assets**

₹ in Lakhs

Particulars	Gratuity	
	As at March 31, 2024	As at March 31, 2023
Insurance fund	10.00	-
<b>Total</b>	<b>10.00</b>	-

The Plan Asset for the funded gratuity plan are administered by Life Insurance Corporation of India ('LIC') as per the Investment Pattern stipulated for Pension and Group Schemes Fund by Insurance Regulatory Development Authority Regulations.

**I. Other Details**

Particulars	Gratuity (Funded)		Others (Post Retirement medical and non compete fees) (Non funded)	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Number of Active Members	489	-	-	-
Per Month Salary for Active Members (₹ in Lakhs)	72.93	-	-	-
Weighted Average Duration of the Projected Benefit Obligation	4	-	-	-
Average Expected Future Service (Years)	4	-	-	-
Projected Benefit Obligation (PBO) (₹ in Lakhs)	517.98	-	-	-
Prescribed Contribution For Next Year (12 Months) (₹ in Lakhs)	72.93	-	-	-

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

## J. Cash Flow Projection: From the Fund

₹ in Lakhs

Projected Benefits Payable in Future Years From the Date of Reporting	Estimated for the	Estimated for the	Estimated for the	Estimated for the
	As at March 31, 2024	As at March 31, 2024	As at March 31, 2024	As at March 31, 2024
	Gratuity		Other Post Employment Benefits	
1 <sup>st</sup> Following Year	166.07	-	-	-
2 <sup>nd</sup> Following Year	70.49	-	-	-
3 <sup>rd</sup> Following Year	93.82	-	-	-
4 <sup>th</sup> Following Year	66.03	-	-	-
5 <sup>th</sup> Following Year	48.88	-	-	-
Sum of Years 6 To 10	136.71	-	-	-

## K. Sensitivity Analysis

₹ in Lakhs

	As at	As at
	March 31, 2024	March 31, 2023
	Gratuity	
Impact of +1% Change in Rate of Discounting	(12.83)	-
Impact of -1% Change in Rate of Discounting	13.80	-
Impact of +1% Change in Rate of Salary Increase	14.02	-
Impact of -1% Change in Rate of Salary Increase	(13.27)	-
Impact of +1% Change in Rate of Employee Turnover	0.62	-
Impact of -1% Change in Rate of Employee Turnover	(0.73)	-

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

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

L. The liability for Compensated absences as at year end is ₹ 178.80 Lakhs (*Previous year Nil*) (Refer Note 14).

Leave encashment policy has funded by company on 16<sup>th</sup> April 2024 with a transfer from Forbes & Company Limited as per the Scheme of arrangement. (Ref Note 39)

The Company provides for encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment / availment. The Company makes provision for compensated absences based on an actuarial valuation carried out at the end of the year using the Projected Unit Credit method. Leave obligations not expected to be settled in the next 12 months is ₹ 123.83 Lakhs (*Previous year Nil*).

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)**

**31 Leases**

**Lessee accounting**

**(i) Amounts recognized in Balance Sheet**

The balance sheet shows the following amounts relating to leases:

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Right-of-use assets</b>		
Office premises	333.14	-
Land	9.95	-
<b>Total</b>	<b>343.09</b>	<b>-</b>
Particulars	As at March 31, 2024	As at March 31, 2023
<b>Lease liabilities</b>		
Non-current	216.00	-
Current	125.25	-
<b>Total</b>	<b>341.25</b>	<b>-</b>

**(ii) Right-of-use assets for the year ended 31<sup>st</sup> March, 2024.**

₹ in Lakhs

Particulars	Office Premises	Land
	As at March 31, 2024	As at March 31, 2024
<b>Cost or Deemed cost</b>		
Balance at 31 <sup>st</sup> Mar, 2023	49.98	-
Additions	344.88	16.50
Disposals	49.98	-
<b>Balance at 31<sup>st</sup> Mar, 2024</b>	<b>344.88</b>	<b>16.50</b>
<b>Accumulated depreciation</b>		
Balance at 31 <sup>st</sup> Mar, 2023	23.03	6.37
Depreciation expense for the year	23.04	0.17
Disposals	34.33	-
<b>Balance at 31<sup>st</sup> Mar, 2024</b>	<b>11.74</b>	<b>6.54</b>
Carrying Amount		
<b>Balance at 31<sup>st</sup> Mar, 2024</b>	<b>333.14</b>	<b>9.95</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)****(iii) Amounts recognized in Statement of Profit and Loss.**

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

₹ in Lakhs

Particulars	As at March 31, 2024
Depreciation charge of right-of-use assets	
Office Premises	23.04
Land	0.17
<b>Total</b>	<b>23.21</b>
Interest expense on lease liability (included in finance cost)	10.63
<b>Total</b>	<b>33.84</b>

During the year, Pursuant to scheme of arrangement the old lease agreements terminated and new agreements are entered into consequently. the difference between the carrying amounts of the right-of-use asset and the lease liability recorded in the statement of profit or loss as a gain or loss and such gain shown under other income.

**(iv) Critical judgements in determining the lease term**

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

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

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

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

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)**

**32. Financial Instruments**

**32.1 Capital Management**

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

The Company determines the amount of capital required on the basis of annual as well as long term operating plans and other strategic investment plans. The funding requirements are met through non convertible debt securities or other long-term /short-term borrowings. The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

**The capital components of the Company are as given below:**

₹ in Lakhs

<b>Particular</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
<b>Total Equity</b>	<b>13,775.33</b>	<b>3.82</b>
Long Term Borrowings	294.15	-
Current Maturities of Long Term Borrowings	248.25	-
Lease Liabilities	341.25	-
<b>Total Debt</b>	<b>883.65</b>	<b>-</b>
Cash and Cash equivalents	1,595.63	5.00
<b>Net Debt</b>	<b>(711.98)</b>	<b>(5.00)</b>
<b>Debt Equity ratio</b>	<b>0.06</b>	<b>-</b>
Debt Equity Ratio = Total Debt / Total Equity		

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)****32.2 Financial risk management objectives**

The Management monitors and manages the financial risks to the operations of the Company. These risks include market risk, credit risk and liquidity risk.

Ratios (Ref Note 38)	Numerator	Denominator	As at March 31, 2024	As at March 31, 2023	Reason for Variance*
Current Ratio	Current assets	Current liabilities	1.89	4.05	
Debt-Equity Ratio	Total debt	Total equity	6%	0%	For FY 22-23 , there was no Debt, thus debt equity ratio couldn't be calculated.*
Debt Service Coverage Ratio	Earning for debt	Debt service	6.06	0.00	For FY 22-23 , there was no Debt, thus debt service ceoverage ratio couldn't be calculated.*
Return on Equity Ratio	Net profit after tax	Average shareholders equity.	43%	-31%	For FY 22-23 , there was no sales and few expenses incurred. Hence return on equity was negative.*
Inventory turnover ratio (times)	COGS	Average inventory	4.14	0.00	For FY 22-23 , there was no Clsosing inventory, thus Inventory turnover ratio could not be calculated.*
Trade Receivables turnover ratio (times)	Credit sales	Average trade receivable	15.52	0.00	For FY 22-23 , there was no sales as well as debtors, thus Trade Receivable turnover ratio could not be calculated.*
Trade payables turnover ratio (times)	Net Credit Purchases	Average Trade Payables	8.58	0.00	For FY 22-23 , there was no purchases thus Trade payable turnover ratio could not be calculated.*
Net capital turnover ratio (times)	Credit sales	working capital	5.04	0.00	For FY 22-23 , there was no sales, thus Net capital turnover ratio could not be calculated.*
Net profit ratio	Net profit after tax	Revenue from operations	13%	0%	For FY 22-23 , there was no sales thus Net profit ratio Couldn't be calculated.*
Return on Capital employed	Earnings before interest and tax	capital employed	30%	-31%	For FY 22-23 , there was no sales and few expenses incurred. Hence return on Capital employed was negative.*
Return on investment	Earnings before interest and tax	Closing total assets	20%	-23%	For FY 22-23 , there was no sales and few expenses incurred. Hence return on investment was negative.*

\*Reasons for Variances are only provided for the change in th ratios by more than 25% as compared to the ratios of Previous year. Pursuant to scheme of arrangement, there were no business operation in FY 2022-23, therefore ratios couldn't be calculated. (Ref Note 38)

**32.3 Market Risk**

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

**32.4 Credit risk management****Trade receivables**

Trade receivables are generally unsecured and are derived from revenue earned from customers. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix and forward-looking information and an assessment of the credit risk over the expected life of the financial asset to compute the expected credit loss allowance for trade receivables. Historical experience of collecting receivables of the Company is supported by low level of past default and hence the credit risk is perceived to be low.

**Other Financial assets**

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are mutual funds and banks with high credit-ratings assigned by credit-rating agencies.



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)**

**32.5 Liquidity Risk**

Liquidity Risk refers to insufficiency of funds to meet the financial obligations. Liquidity Risk Management implies maintenance of sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit lines to meet obligations when due.

The Company manages liquidity risk by banking facilities and by continuously monitoring forecast and actual cash flows, and by assessing the maturity profiles of financial assets and liabilities. The below table sets out details of additional undrawn facilities that the Company has at its disposal to further reduce liquidity risk.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the earliest date on which the Company can be required to pay. The tables include both principal and interest cash flows.

₹ in Lakhs

Maturities of Financial Liabilities as at the Balance Sheet date	As at March 31, 2024			
	Upto 1 year	1 to 3 years	3 to 5 years	5 years & above
Borrowings (includes interest)	288.05	286.08	-	-
Trade Payables	2,169.42	-	-	-
Other Financial Liabilities	3,067.60	331.92	-	-
Lease liability	125.25	216.00	-	-
	<b>5,650.32</b>	<b>834.00</b>	-	-

Maturities of Financial Liabilities as at the Balance Sheet date	As at March 31, 2023			
	Upto 1 year	1 to 3 years	3 to 5 years	5 years & above
Trade Payables	0.50	-	-	-
Other Financial Liabilities	0.75	-	-	-
	<b>1.25</b>	-	-	-

**32.6 Categories of Financial Instruments:**

₹ in Lakhs

Particular	As at March 31, 2024		
	FVTPL	FVTOCI	Amortised Cost
<b>Financial Assets</b>			
Loans	-	-	3.26
Cash and Bank Balances	-	-	1,595.63
Trade Receivables	-	-	2,944.40
Other Financial Assets	-	-	1,226.08
	-	-	<b>5,769.37</b>
<b>Financial liabilities</b>			
Borrowings	-	-	542.40
Trade Payables	-	-	2,169.42
Other Financial Liabilities	-	-	1,495.98
Lease liability	-	-	341.25
	-	-	<b>4,549.05</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

Particular	As at March 31, 2023		
	FVTPL	FVTOCI	Amortised Cost
<b>Financial Assets</b>			
Cash and Bank Balances	-	-	5.00
Other Financial Assets	-	-	0.07
	-	-	5.07
<b>Financial liabilities</b>			
Trade Payables	-	-	0.50
Other Financial Liabilities	-	-	0.75
	-	-	1.25

**32.7 Derivatives Instruments and unhedged Foreign Currency (FC) exposure**

The Company is exposed to Currency Risk arising from its trade exposures and capital/Loan receipt/payments denominated, in other than the Functional Currency. The Company has a Foreign Exchange Risk Management policy within which the treasury has to perform and also lays down the checks and controls to ensure the continuing success of the treasury function. The Company has defined strategies for addressing the risks for each category of exposures (e.g. for exports, for imports, for loans, etc.). The centralised treasury function aggregates the foreign exchange exposure and takes prudent measures to hedge the exposure based on prevalent macro-economic conditions.

**a) Particulars of unhedged foreign currency exposures as at the reporting date**

Currencies	As at March 31, 2024						As at March 31, 2023					
	Advances from customers		Loans and advances to related party		Trade receivables		Advances from customers		Loans and advances to related party		Trade receivables	
	FC in Lakhs	₹ In Lakhs	FC in Lakhs	₹ In Lakhs	FC in Lakhs	₹ In Lakhs	FC in Lakhs	₹ In Lakhs	FC in Lakhs	₹ In Lakhs	FC in Lakhs	₹ In Lakhs
USD	0.07	6.08	-	-	14.63	1,219.16	-	-	-	-	-	-
GBP	-	-	-	-	0.73	77.01	-	-	-	-	-	-
EUR	0.01	0.82	-	-	-	-	-	-	-	-	-	-

Currencies	As at March 31, 2024				As at March 31, 2023			
	Advances to vendors		Trade payables		Advances to vendors		Trade payables	
	FC in Lakhs	₹ In Lakhs	FC in Lakhs	₹ In Lakhs	FC in Lakhs	₹ In Lakhs	FC in Lakhs	₹ In Lakhs
USD	0.07	5.56	4.61	384.31	-	-	-	-
EUR	0.04	3.52	3.86	346.81	-	-	-	-
GBP	-	-	-	-	-	-	-	-

Of the above, the Company is mainly exposed to USD, and EUR. Hence the following table analyses the Company's Sensitivity to a 5% increase and a 5% decrease in the exchange rates of these currencies against INR.

**(b) Sensitivity****As at March 31, 2024**

₹ in Lakhs

Currencies	Increase/Decrease	Total Assets in FC	Total Liabilities in FC	Impact on exchange rate	Impact on Profit or Loss for the year
USD	Increase by 5%	14.70	4.68	4.17	41.78
USD	Decrease by 5%	14.70	4.68	(4.17)	(41.78)
EUR	Increase by 5%	0.04	3.86	4.50	(17.19)
EUR	Decrease by 5%	0.04	3.86	(4.50)	17.19

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

### 32.8 Interest rate risk

Interest rate risk results from changes in prevailing market interest rates, which can cause a change in the fair value of fixed-rate instruments and changes in the interest payments of the variable-rate instruments.

#### (a) Interest rate risk exposure

The exposure of Company's borrowing to interest rate changes at the end of the year are as follows:

Particulars	As at March 31, 2024			As at March 31, 2023		
	Weighted average interest rates	% of total loans	Total Borrowings	Weighted average interest rates	% of total loans	Total Borrowings
Term Loans from Banks	9.25%	100%	542.40	9.25%	0%	-
<b>Total</b>			<b>542.40</b>			<b>-</b>

#### (b) Sensitivity

The sensitivity of profit / (loss) to changes in interest rates/exchange rates:

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Rates increase by 100 basis points*	5.42	-
Rates decrease by 100 basis points*	(5.42)	-

\* Holding all other variables constant.

### 33. Contingencies and other commitments

#### (a) Contingencies

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Claims against the Company not acknowledged as debts</b>		
Labour matters in dispute	16.81	-

#### (b) Commitments

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance paid aggregating ₹314.36 Lakhs; <i>Previous year Nil</i> )	1,382.39	-

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

## 34. Net debt reconciliation

₹ in Lakhs

Particular	As at March 31, 2024	As at March 31, 2023
Long Term Borrowings	(294.15)	-
Current Maturities of Long Term Borrowings	(248.25)	-
Lease Liability	(341.25)	-
<b>Total debt</b>	<b>(883.65)</b>	-
Cash and Cash equivalents	1,595.63	5.00
<b>Net debt</b>	<b>711.98</b>	<b>5.00</b>

₹ in Lakhs

Particular	Other assets	Liabilities from financing activities			Total
	Cash and cash equivalents	Long term borrowing including current maturity	Short term borrowing	Lease Liability	
<b>Net debt as at 1<sup>st</sup> April, 2023</b>	<b>5.00</b>	-	-	-	<b>5.00</b>
Cash flows	1,590.63	(542.40)	-	(341.25)	706.98
Interest expense	-	(76.93)	(1.08)	(10.63)	(88.65)
Interest paid	-	76.93	1.08	-	78.01
Non cash movements for acquisitions and disposals	-	-	-	10.63	10.63
<b>Net debt as at 31<sup>st</sup> March, 2024</b>	<b>1,595.63</b>	<b>(542.40)</b>	-	<b>(341.25)</b>	<b>711.98</b>

## 35. Offsetting financial assets and financial liabilities

₹ in Lakhs

Particular	Gross amounts	Gross amounts set off in the Balance Sheet	Net amounts presented in Balance Sheet
	(Financial Assets - Trade Receivables)	(Financial Liabilities - Rebates/ Discounts)	(Net Financial Assets - Trade Receivables)
31 <sup>st</sup> March, 2024	3,569.27	417.40	3,151.86
<b>Total</b>	<b>3,569.27</b>	<b>417.40</b>	<b>3,151.86</b>
31 <sup>st</sup> March, 2023	-	-	-
<b>Total</b>	-	-	-

The Company gives rebates/ discounts for Engineering segment. Under the terms of contract, the amounts payable by the Company are offset against receivables from customers and only the net amount is settled (i.e. after adjustment towards rebates/ discounts). The relevant amounts have therefore been presented net in the Balance Sheet.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

### 36. Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

₹ in Lakhs			
Particulars	Notes	As at March 31, 2024	As at March 31, 2023
<b>Non-current</b>			
<b>Specific charge</b>			
- Leasehold land		9.95	-
- Freehold buildings		3,428.87	-
- Plant & Machinery		5,034.70	-
- Furniture & fixtures		39.89	-
- Office equipments		9.58	-
- Capital work-in-progress		468.67	-
<b>Total non-currents assets pledged as security</b>		<b>8,991.67</b>	<b>-</b>
<b>Total assets pledged as security</b>		<b>8,991.67</b>	<b>-</b>

**Note:** The Assets are transferred under scheme of arrangement. The company applied for transfer of title deed with statutory authorities. Creation of charge on the said assets are in process.

**37. Segment reporting:** The Ind AS 108, 'Operating segments,' notified pursuant to Companies (Accounting Standards) Rules, 2015, requires management to determine the reportable segments for disclosure in financial statements based on internal reporting reviewed by the Chief Operating Decision Maker (CODM) to assess performance and allocate resources. The company manufactures precision cutting tools and related components. Based on management analysis, the company has only one operating segment, so no separate segment report is provided. The principal geographical area in which the company operates is India.

### 38. Scheme of Arrangement

The Board of Directors of Forbes Precision Tools and Machine Parts Limited ("FPTL" or the "Resulting Company") and Forbes & Company Limited (FCL or the "Demerged Company") in their respective meetings held on 26<sup>th</sup> September 2022, approved the Scheme of Arrangement ("Scheme") between FCL and FPTL, as well as their respective shareholders, in accordance with Sections 230 to 232 of the Companies Act, 2013, and other applicable provisions and rules. This Scheme entails the demerger of the "Precision Tools business" from FCL into FPTL, with an appointed date of 1<sup>st</sup> April 2023.

The Honorable National Company Law Tribunal ("NCLT") of the Mumbai bench approved the scheme via Order No. C.P.(CAA)/303/MB-V/2023 dated 9<sup>th</sup> February 2024. The certified true copy of the order was received on 22<sup>nd</sup> February 2024 and filed with the Registrar of the Company on 1<sup>st</sup> March 2024. The Scheme became effective / operative from the effective date of March 1, 2024, with this, the Precision Tools business of FCL being transferred to and vested in FPTL with effect from the appointed date i.e., 1<sup>st</sup> April, 2023.

Upon the coming into effect of the Scheme, the existing share capital of FPTL, amounting to ₹5.00 lakhs divided into 50,000 shares of ₹10 each, fully paid up, held by the shareholders of the Demerged Company, prior to the Scheme becoming effective, shall stand cancelled without any further application, act, instrument, or deed, as an integral part of this Scheme, with adjustments done through Capital reserve of the Company. As per the Scheme of Arrangement, the Resulting company has issued four fully paid-up equity shares of ₹ 10/- each for every one fully paid-up equity share of ₹ 10/- each held by the equity shareholders of the Demerged Company (FCL) as of the Record Date, which was 7<sup>th</sup> March 2024. The shareholders of FCL are entitled to receive 4 shares of FPTL against each share held by them. Accordingly, the paid-up capital of FPTL is determined as 5,15,94,464 shares of ₹ 10 each, having a total value of ₹ 5,159.45 Lakhs. The record date for allotment was fixed as 7<sup>th</sup> March 2024, and the issuance and allotment of equity shares took place on 13<sup>th</sup> March 2024.

As per Para 12 of Appendix C of IND AS 103, the difference between Paid up share capital of FCL ₹ 1289.96 Lakhs and Paid up share capital issued by FPTL amounting to ₹ 5159.45 Lakhs in terms of scheme of arrangement is considered as negative capital reserve amounting ₹ 3869.59 Lakhs. The pre-merger equity share capital of ₹ 5 lakhs of FPTL is cancelled and adjusted against the capital reserve.

From the appointed date, the precision tools business of FCL, including all its assets and liabilities is transferred and vested to FPTL in accordance with this Scheme. Consequently, the deferred tax liability related to those assets and liabilities will be remeasured and will result in a direct charge of ₹ 234.44 Lakhs to the opening balance of retained earnings of FPTL. Moreover, for the period from April 1, 2023, to March 31, 2024, the incremental deferred tax liability amounting to ₹ 2.33 Lakhs debited to the Profit and Loss account.

The financial statement of the Company reflects the financial position on the basis of consistent accounting policies.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

The book value of assets acquired, and liabilities were taken over under the scheme of arrangement as on appointed date are listed below:

₹ in Lakhs

Particulars	The demerged undertaking of the Parent Company
<b>I. ASSETS</b>	
<b>1. Non-Current Assets</b>	
(a) Property, plant and equipment	8,414.02
(b) Right-of-use assets	37.07
(c) Capital work-in-progress	182.80
(d) Other intangible assets	97.49
(e) Other financial asset	81.64
(f) Current tax assets (net)	4.31
(g) Other non-current assets	230.26
<b>Total</b>	<b>9,047.59</b>
<b>2. Current Assets</b>	
(a) Inventories	3,115.25
(b) Financial assets	
(i) Trade receivables	2,236.80
(ii) Cash and cash equivalents	366.83
(iii) Loans	0.28
(c) Other current assets	282.79
<b>Total</b>	<b>6,001.95</b>
<b>TOTAL ASSETS</b>	<b>15,049.53</b>
<b>II. LIABILITIES</b>	
<b>1. Non-current Liabilities</b>	
(a) Financial liabilities	
(i) Borrowings	1,012.95
(ii) Lease liability	18.87
(b) Deferred tax liabilities (net)	234.44
<b>Total</b>	<b>1,266.26</b>
<b>2. Current Liabilities</b>	
(a) Financial liabilities	
(i) Borrowings	243.25
(ii) Lease liability	11.94
(iii) Trade payables	1,833.20
(iv) Other financial liabilities	131.16
(b) Other current liabilities	742.03
(c) Provisions	27.58
<b>Total</b>	<b>2,989.17</b>
<b>TOTAL LIABILITIES</b>	<b>4,255.43</b>
<b>NETWORTH</b>	<b>10,794.10</b>

The Comparative numbers of the financial statements are not comparable as the Scheme of Arrangement between Forbes & Company Limited and Forbes Precision Tools & Machine Parts Limited has caused an impact.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

39. The Scheme of Arrangement for the demerger of the “Precision Tools business” from Forbes & Company Limited (FCL) to the Company has received approval from The Hon’ble National Company Law Tribunal (“NCLT”) of Mumbai benches through Order No. C.P.(CAA)/303/MB-V/2023 dated February 9, 2024, Mumbai Bench. The certified true copy of the order was filed with the Registrar of the Company on March 1, 2024, and the Scheme became operative as of March 1, 2024.

Consequently, the Precision Tools business of FCL has been transferred to and vested in the Company with effect from the appointed date, i.e., April 1, 2023. All transactions previously recorded in Forbes & Company Limited pertaining to the Precision Tools business have been transferred to the Company as of the effective date, March 1, 2024.

The impact of Certain assets and liabilities transferred from FCL to the Company is net receivables amounts to ₹ 881.93 Lakhs presented under note no. 8B as Contractually reimbursable expenses from related parties. Details of this transfer are as follows:

Particulars	Amount	₹ in Lakhs
Shown as receivable on account of HDFC Life – Leave encashment	346.38	This amount, pertaining to the employees transferred, was receivable through FCL from HDFC Life Insurance Company Limited which has been credited on 16 <sup>th</sup> April 2024 to the leave encashment policy of the company with HDFC Life Insurance Company Limited.
Shown as receivable on account of Gratuity fund with LIC.	535.55	This amount would be transferred from LIC – Forbes Gratuity account to the Company’s Gratuity account by LIC
<b>Total</b>	<b>881.93</b>	

40. The Indian Parliament has approved the Code on Social Security, 2020 (“the code”) which, inter alia, deals with employees benefits during employment and post-employment. The code has been published in the Gazette of India. The effective date of the code is yet to be notified and the rules for quantifying the financial impact are also yet to be issued. In view of this, the impact of change, if any, will be assessed and recognised post notification of the relevant provisions.

### 41. Additional Regulatory Information as per Schedule III of the Division II of the Companies Act, 2013

#### i Details of Benami property held

There are not any proceedings that have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder as at 31<sup>st</sup> March, 2023.

#### ii Wilful defaulter

The Company has not been declared wilful defaulter by any bank or financial Institution or other lender who has powers to declare a company as a wilful defaulter at any time during the financial year or after the end of reporting period but before the date when financial statements are approved or in an earlier period and the default has continued for the whole or part of the current year.

#### iii Relationship with struck off companies

The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

- iv The Company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act 2013 read with Companies (Restriction on number of Layers) Rules, 2017.

- v (a) The company has not advanced or loaned or invested any funds (either borrowed funds or share premium or any other sources or kind of funds) during the year to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding (whether recorded in writing or otherwise) that the intermediary shall:

- i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or,
- ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

- (b) The company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) during the year with the understanding (whether recorded in writing or otherwise) that the company shall:

- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or
- (ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)****vi Undisclosed income**

The company does not have any transaction that are not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961), during the year.

**vii Details of crypto currency or virtual currency**

The group has not traded or invested in crypto currency or virtual currency during the current or previous year.

**viii Valuation of PP&E, intangible asset and investment property**

The group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

**42. Other regulatory information****i Registration of charges or satisfaction with Registrar of Companies**

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

**ii Utilisation of borrowings availed from banks and financial institutions**

The borrowings obtained by the company from banks and financial institutions have been applied for the purposes for which such loans were taken.

**iii The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. The Group has five CICs which are part of the Group**

- SP Finance Private Limited,
- SC Finance and Investments Private Limited,
- Hermes Commerce Private Limited,
- Renaissance Commerce Private Limited and
- Shapoorji Pallonji Energy Private Limited (formerly known as Shapoorji Pallonji Oil and Gas Private Limited).

**43.** The Comparative numbers of the financial statements are not comparable as the Scheme of Arrangement between Forbes & Company Limited and Forbes Precision Tools & Machine Parts Limited has caused an impact. The demerger of the Precision tools business from April 01, 2023 is the appointed date and took effect on March 01, 2024.

**44.** The Company had filed listing application with BSE limited on April 2, 2024 and received in principle approval on April 26, 2024. We are awaiting SEBI relaxation letter under rule 19(2)(b) of the Securities Contracts (Regulation) Rule 1957.

**45.** The Managing Director, Chief Financial Officer & Company Secretary were appointed w.e.f April 01, 2024 and were authorized by the Board to sign the financial of the Company.

**46.** The financial statements were approved by the Board of Directors of the Company at their respective meetings held on 06<sup>th</sup> May, 2024.

In terms of our report of even date

**For Sharp & Tannan Associates**

Chartered Accountants  
Firm's Registration No.: 109983W

**Parthiv S. Desai**  
Partner  
Membership No.: 042624

Date: May 06, 2024  
Place: Mumbai

For and on behalf of the Board of Directors

**M.C. TAHILYANI**  
Managing Director  
DIN : 01423084

**VIKRAM V. NAGAR**  
Chief Financial Officer

Date: May 06, 2024  
Place: Mumbai

**JAI L. MAVANI**  
Director  
DIN : 05260191

**RUPA KHANNA**  
Company Secretary  
Membership No : A33322





**Forbes Precision Tools and Machine Parts Limited**

**CIN: U29256MH2022PLC389649**

**Registered Office:** Forbes' Building, Charanjit Rai Marg, Fort, Mumbai 400 001

**Phone:** + 91 22 69138900 **E-mail:** investor.relations@forbesprecision.co.in

**Website:** www.forbesprecision.co.in

**PROXY FORM**

**(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)**

Name of the Member(s) :

Registered Address :

Email ID :

Folio No./Client ID :

DP ID :

I/We, being member(s) of \_\_\_\_\_ shares of Forbes Precision Tools and Machine Parts Limited, hereby appoint:

1. Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
E-mail ID : \_\_\_\_\_  
Signature : \_\_\_\_\_ or failing him
2. Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
E-mail ID : \_\_\_\_\_  
Signature : \_\_\_\_\_ or failing him
3. Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
E-mail ID : \_\_\_\_\_  
Signature : \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my /our behalf at 2<sup>nd</sup> Annual General Meeting of the Company, to be held at Indian Merchants' Chambers, Walchand Hirachand Hall, IMC Building, 4<sup>th</sup> Floor, IMC Marg, Churchgate, Mumbai 400 020 on Thursday, July 25, 2024 at 3.00 p.m. and at any adjournment thereof in respect of such resolutions as are indicated below:

1. To consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2024 together with the Report of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Jai Mavani (DIN: 05260191), who retires by rotation and being eligible, seeks re-appointment.
3. Ratification of the remuneration to be paid to M/s. Kishore Bhatia & Associates (Firm Registration No. 00294) for the Financial Year 2023-24.
4. Ratification of the remuneration to be paid to M/s. Kishore Bhatia & Associates (Firm Registration No. 00294) for the Financial Year 2024-25.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2024

Signature of the shareholder: \_\_\_\_\_

Signature of Proxy Holder(s): \_\_\_\_\_

Affix
Revenue
Stamp

**Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**



**FORBES PRECISION TOOLS AND MACHINE PARTS LIMITED**

CIN: U29256MH2022PLC389649

Regd. Office: Forbes’ Building, Charanjit Rai Marg, Fort, Mumbai, Maharashtra – 400 001

Tel.: +91 22 6913 8900; Website: www.forbesprecision.co.in,

E-mail: investor.relations@forbesprecision.co.in

**Attendance Slip**

2<sup>nd</sup> Annual General Meeting July 25, 2024 at 3.00 P.M

Name of the Member	
Registered Address	
DP ID & Client ID/Folio No.	
Nos. of Shares held	

I certify that I am a registered shareholder/proxy for the registered shareholder of the Company.

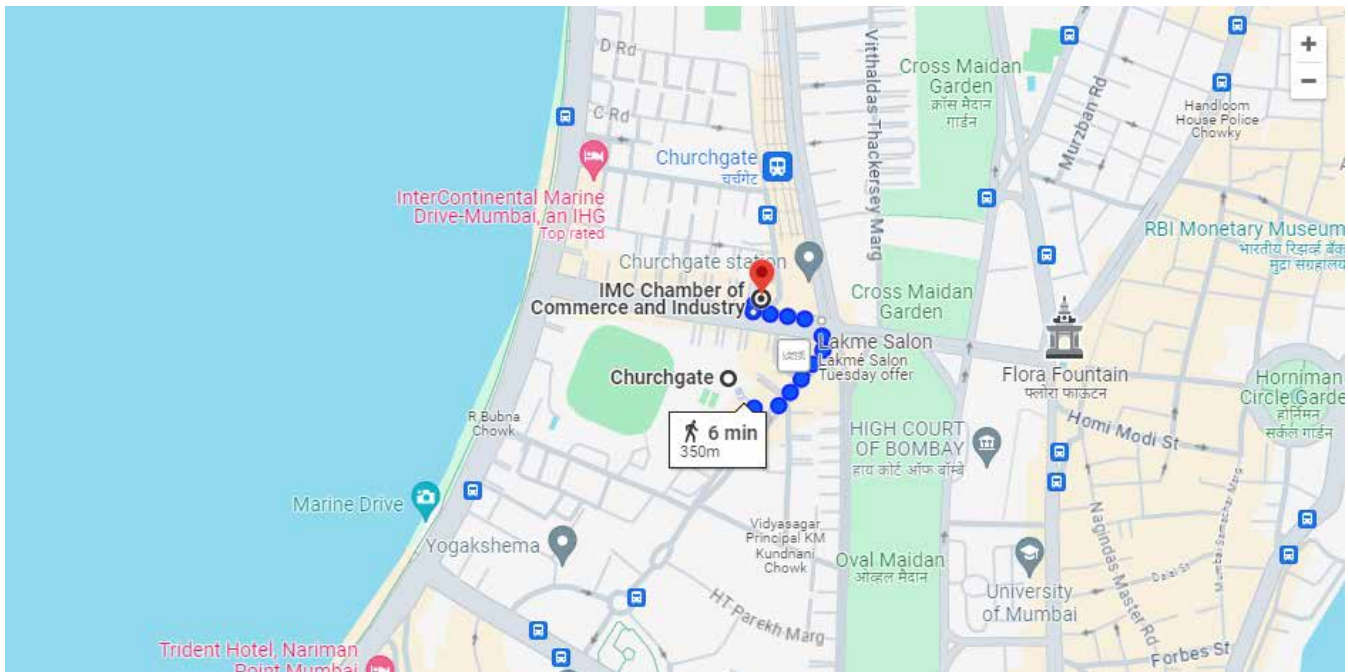
I hereby record my presence at the 2<sup>nd</sup> Annual General Meeting of the Company on Thursday, June 25, 2024 at 3.00 pm at Indian Merchant’s Chambers, Walchand Hirachand Hall, IMC Building, 4<sup>th</sup> floor, IMC Marg, Churchgate, Mumbai - 400 020.

\_\_\_\_\_  
Signature of Member/Proxy

**ROUTE MAP**

2<sup>nd</sup> Annual General Meeting July 25, 2024 at 3.00 P.M

At Indian Merchant’s Chambers, Walchand Hirachand Hall, IMC Building, 4<sup>th</sup> floor, IMC Marg, Churchgate, Mumbai - 400 020.







# SPRING LOCK WASHERS



**"BBBBB"**







High Performance Cutting Tools

**Forbes Precision Tools and Machine Parts Limited**

Forbes Building, Charanjit Rai Marg,  
Fort, Mumbai – 400 001

Tel : +91 22 69138900

Email : [investor.relations@forbesprecision.co.in](mailto:investor.relations@forbesprecision.co.in)