

July 25, 2020

BSE Ltd.
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai 400 001

Security Code : 502865
Security ID : FORBESCO

Outcome of Board Meeting

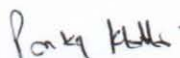
Dear Sir,

In compliance with the requirements of Regulations 30 & 33 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, we would like to inform you that the Board of Directors at its meeting held on July 25, 2020 has approved the Audited Standalone & Consolidated Financial Results for the quarter and financial year ended March 31, 2020. A copy of the aforesaid Financial Results along with the Reports by Statutory Auditors of the Company and declaration with regard to Auditor's Report with unmodified opinion on Standalone and Consolidated Financial Results (Refer Annexure "A") is enclosed.

The Board Meeting commenced at 3.30 P.M. and concluded at 6.10 P.M.

Kindly take the above information on your record.

Yours faithfully,
For Forbes & Company Limited



Pankaj Khattar
Head Legal and Company Secretary

Encl:

Annexure "A"

July 25, 2020

General Manager,
Department of Corporate Services,
BSE Ltd.
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai 400 001

Security Code : 502865
Security ID : FORBESCO

Declaration with respect to Audit Report with unmodified opinion to the Audited Standalone and Consolidated Financial Results for the quarter/year ended March 31, 2020.

Dear Sir,

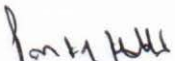
We hereby declare that with respect to Audited Standalone and Consolidated Financial Results for the quarter and Financial Year ended March 31, 2020, approved by the Board of Directors of the Company at their meeting held on July 25, 2020, the Statutory Auditors, Price Waterhouse Chartered Accountants LLP have not expressed any modified opinion(s) in their Standalone and Consolidated Audit Reports.

The above declaration is made pursuant to the Regulation 33(3) (d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

Kindly take the above information on your record.

Yours faithfully

For Forbes & Company Limited


Pankaj Khattar
Head Legal and Company Secretary

Statement of Standalone Financial Results for the quarter and year ended 31st March, 2020

(Rs. in Lakhs)

Particulars	Quarter ended			Year ended	
	31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
	(Refer Note 10)	(Unaudited)	(Refer Note 10)	(Audited)	(Audited)
1 Income					
Revenue from operations	4,383	5,056	5,795	19,488	22,711
Other income	224	139	191	753	1,811
Total Income	4,607	5,195	5,986	20,241	24,522
2 Expenses					
Real estate development costs	3,966	1,821	3,265	8,731	7,555
Cost of materials consumed	2,390	1,849	2,440	8,270	8,709
Purchases of stock-in-trade	55	42	-	240	14
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(3,936)	(1,222)	(3,688)	(8,718)	(8,413)
Employee benefits expense	686	1,266	989	4,708	4,447
Finance costs	267	296	303	1,184	1,201
Depreciation and amortisation expense	327	305	242	1,211	947
Other expenses	1,728	1,421	2,093	6,675	8,052
Total expenses	5,483	5,778	5,644	22,301	22,512
3 Profit / (Loss) before exceptional items and tax	(876)	(583)	342	(2,060)	2,010
4 Exceptional items (Net) (Refer Note 5 below)	(1,216)	698	85	(518)	(971)
5 Profit / (Loss) before tax	(2,092)	115	427	(2,578)	1,039
6 Tax expense					
Current tax	-	-	(310)	-	188
Deferred tax	(247)	124	225	(123)	(176)
	(247)	124	(85)	(123)	12
7 Profit / (Loss) after tax	(1,845)	(9)	512	(2,455)	1,027
8 Other Comprehensive Income / (Loss)					
(i) Items that will not be reclassified to Statement of Profit or Loss					
Remeasurement of the defined benefit plans	(74)	83	(36)	(15)	1
(ii) Income tax relating to items that will not be reclassified to Statement of Profit or Loss					
Deferred tax	2	-	6	2	-
Other Comprehensive Income / (Loss) (net of tax)	(72)	83	(30)	(13)	1
9 Total Comprehensive Income / (Loss) for the period / year	(1,917)	74	482	(2,468)	1,028
10 Paid-up equity share capital (Face Value of Rs. 10 each)	1,290	1,290	1,290	1,290	1,290
11 Other equity (excluding Revaluation Reserve)				18,876	22,122
12 Debenture Redemption Reserve				-	2,500
13 Basic and diluted earnings per equity share (after exceptional items) (Quarter and year to date figures not annualised)	Rs.(14.30)	Ps (0.07)	Rs.3.97	Rs.(19.03)	Rs.7.96
14 Net worth				20,166	23,412
15 Paid-up debt capital				-	3,995
16 Debt Equity Ratio				0.56	0.50
17 Debt Service Coverage Ratio				0.12	0.60
18 Interest Service Coverage Ratio				0.51	2.82
Paid-up debt capital = Listed Non Convertible Debentures (including current maturities)					
Debt Equity Ratio = Long Term Borrowings (including current maturities) / Total Equity					
Debt Service Coverage Ratio = Profit for the year before Exceptional Items, Interest, Depreciation and Amortisation Expenses and Tax / (Interest + Principle Repayment of Long Term Borrowings). Interest includes amounts pertaining to Real Estate business, which are considered as part of Real estate development					
Interest Service Coverage Ratio = Profit for the year before Exceptional Items, Interest, Depreciation and Amortisation Expenses and Tax / (Interest Expense). Interest includes amounts pertaining to Real Estate business, which are considered as part of Real estate development costs.					
Net worth = The aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.					
Total Equity = The aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account, after deducting the aggregate value of the accumulated losses, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.					

Contd ...



Reporting of Segment wise Revenue, Results, Assets and Liabilities

Based on the evaluation of Ind AS 108 - Operating Segments, the management has identified two operating segments viz., Engineering and Real Estate.

(Rs. in Lakhs)

	Quarter ended			Year ended	
	31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
	(Refer Note 10)	(Unaudited)	(Refer Note 10)	(Audited)	(Audited)
1 Segment Revenue					
(a) Engineering	3,909	4,594	5,344	17,641	20,912
(b) Real Estate	474	463	451	1,849	1,801
Total	4,383	5,057	5,795	19,490	22,713
Less: Inter Segment Revenue	-	1	-	2	2
Total revenue from operations (net)	4,383	5,056	5,795	19,488	22,711
2 Segment Results [Profit / (Loss) before Tax and Interest from each Segment (Including exceptional items related to segments)]					
(a) Engineering	(568)	(231)	802	(902)	2,658
(b) Real Estate	(221)	171	(113)	636	358
Total segment results	(789)	(60)	689	(266)	3,016
Less: Finance costs	(267)	(296)	(303)	(1,184)	(1,201)
Balance	(1,056)	(356)	386	(1,450)	1,815
Add: Unallocable income / (expense) (net) [including exceptional items]	(1,036)	471	41	(1,128)	(776)
Profit / (Loss) from ordinary activities before tax	(2,092)	115	427	(2,578)	1,039
3 Segment Assets					
(a) Engineering	15,947	16,838	14,064	15,947	14,064
(b) Real Estate	36,764	32,887	28,121	36,764	28,121
(c) Unallocated	33,688	34,111	32,434	33,688	32,434
Total Assets	86,399	83,836	74,619	86,399	74,619
4 Segment liabilities					
(a) Engineering	10,046	9,675	4,306	10,046	4,306
(b) Real Estate	46,806	40,706	32,619	46,806	32,619
(c) Unallocated	9,381	11,372	14,282	9,381	14,282
Total Liabilities	66,233	61,753	51,207	66,233	51,207

Notes on Segment Information:

- Segment revenue, segment results, segment assets and segment liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.
- Details of product categories included in each segment comprises:
 - Engineering Segment includes manufacture/ trading in Precision Cutting Tools, Spring Lock Washers and Marking Systems. The Company caters to the needs of domestic and export markets.
 - Real Estate includes income from renting out investment properties and revenue from real estate development project.
 - Unallocable Corporate Assets mainly comprises of investments, tax receivables and other unallocable assets.
 - Unallocable Liabilities comprise borrowings, provisions and other unallocable liabilities.
- Other income allocable to respective segments has been considered as part of Segment Results.

Contd ...



1. Standalone Statement of Assets and Liabilities as at 31st March, 2020

Particulars	<i>(Rs. in Lakhs)</i>	
	As at 31.03.2020 (Audited)	As at 31.03.2019 (Audited)
Assets		
1 Non-current assets		
a) Property, Plant and Equipment	10,140	5,091
b) Right-of-use assets	359	-
c) Capital work-in-progress	115	410
d) Investment Properties	2,483	2,560
e) Other Intangible assets	222	225
f) Intangible assets under development	13	23
g) Financial Assets:		
i) Investments	24,167	24,291
ii) Loans	191	134
iii) Other financial assets	2	2
	<u>24,360</u>	<u>24,427</u>
h) Tax assets		
i) Deferred tax assets (net)	5,117	4,992
ii) Income tax assets (net)	1,785	1,304
	<u>6,902</u>	<u>6,296</u>
i) Other non-current assets	400	1,146
Total Non-current assets	<u>44,994</u>	<u>40,178</u>
2 Current assets		
a) Inventories	36,154	28,309
b) Financial Assets:		
i) Trade receivables	2,507	4,114
ii) Cash and cash equivalents	191	824
iii) Bank balances other than (ii) above	187	165
iv) Loans	269	23
v) Other financial assets	1,104	332
	<u>4,258</u>	<u>5,458</u>
c) Other current assets	994	670
	<u>5,252</u>	<u>6,128</u>
Assets classified as held for sale	-	4
Total Current assets	<u>41,406</u>	<u>34,441</u>
Total Assets	<u>86,400</u>	<u>74,619</u>
Equity and Liabilities		
Equity		
a) Equity share capital	1,290	1,290
b) Other equity	18,876	22,122
Total Equity	<u>20,166</u>	<u>23,412</u>
Liabilities		
1 Non-current liabilities		
a) Financial liabilities:		
i) Borrowings	6,776	6,226
ii) Lease Liabilities	285	-
iii) Other financial liabilities	122	230
	<u>7,183</u>	<u>6,456</u>
b) Provisions	635	561
Total Non-current liabilities	<u>7,818</u>	<u>7,017</u>
2 Current liabilities		
a) Financial liabilities:		
i) Borrowings	7,277	5,313
ii) Trade payables		
a) total outstanding dues of micro enterprises and small enterprises; and	402	439
b) total outstanding dues of creditors other than micro enterprises and small enterprises	4,810	4,149
iii) Lease Liabilities	69	-
iv) Other financial liabilities	5,948	6,630
	<u>18,506</u>	<u>16,531</u>
b) Other current liabilities	39,311	27,097
c) Provisions	506	500
d) Current tax liabilities (net)	93	62
Total Current Liabilities	<u>58,416</u>	<u>44,190</u>
Total Liabilities	<u>66,234</u>	<u>51,207</u>
Total Equity and Liabilities	<u>86,400</u>	<u>74,619</u>



Contd ...

2. Standalone statement of Cash flows for the year ended 31st March, 2020

	Year ended 31st Mar., 2020 (Audited)	Year ended 31st Mar., 2019 (Audited)	(Rs. in Lakhs)
Cash flows from operating activities			
Profit before tax	(2,578)		1,039
Adjustments for -			
Depreciation and amortisation expense	1,211	947	
Interest income earned on financial assets that are not designated as at fair value through profit or loss :			
(i) Bank deposits	(26)	(33)	
(ii) Inter-corporate deposits	(32)	(9)	
Interest on Income Tax/ Wealth Tax refund	(193)	-	
Finance costs	1,184	1,201	
Dividend Income from long-term investments *	-	-	
(Gain)/loss on disposal of property, plant and equipment	(145)	(124)	
(Gain)/loss on disposal of current investments	-	(137)	
Provision for doubtful trade receivables	155	26	
Provision for doubtful loans and advances	-	52	
Gain on fair value of long-term investments in a subsidiary company	(157)	(140)	
Net (gain) arising on financial assets designated as at FVTPL	-	(77)	
Credit balances / excess provision written back	(26)	(749)	
Net unrealised exchange loss	(6)	(21)	
	<u>1,965</u>		<u>936</u>
Exceptional items:			
- Gain on transfer of interest	-	(85)	
- Expected out flow for disputed matters	(698)	1,056	
- Provision for impairment in the value of the investments	1,216	-	
	<u>518</u>		<u>971</u>
	<u>2,483</u>		<u>1,907</u>
Operating profit before working capital changes	(95)		2,946
Changes in working capital:			
(Increase)/ decrease in trade and other receivables	1,361	(323)	
(Increase)/ decrease in inventories	(7,845)	(8,356)	
(Increase)/ decrease in other assets	(29)	(182)	
Increase/ (decrease) in trade and other payables	626	1,005	
Increase/ (decrease) in provisions	20	(87)	
Increase/ (decrease) in other liabilities	12,214	10,940	
	<u>6,347</u>		<u>2,997</u>
Cash inflow / (outflow) from operations	6,252		5,943
Income taxes (paid)/ refunds received (net)	(302)		167
(a) Net cash flow inflow / (outflow) from operating activities	5,950		6,110
Cash flows from investing activities:			
Payments for property, plant and equipment (net of capital creditors and including capital advances, capital work-in-progress, investment properties and intangible assets)	(5,021)	(1,712)	
Proceeds from disposal of property, plant and equipment	220	127	
Restitution for termination of agreement for development of project (net of incidental expenses incurred)	-	(15,300)	
Proceeds from slump sale	-	15,385	
Purchase / subscription of long-term investments			
- in subsidiaries	(1,000)	(3,505)	
- others *	-	-	
Payment for disputed matters	-	(1,056)	
Purchase of current investments	-	(7,563)	
Proceeds from sale of current investments	-	7,700	
Loans and advances given to related parties	(2,262)	(700)	
Loans and advances given to related parties realised	2,002	700	
Bank balances not considered as cash and cash equivalents	(21)	(48)	
Interest received	44	35	
Dividend received *	-	-	
(b) Net cash (outflow) / inflow from investing activities	(6,038)		(5,937)

Contd ...



	Year ended 31st Mar., 2020 (Audited)	(Rs. in Lakhs) Year ended 31st Mar., 2019 (Audited)
Cash flows from financing activities:		
Proceeds from long-term borrowings	5,024	7,700
Repayment of long-term borrowings	(5,468)	(6,000)
Proceeds from short-term borrowings	-	12,749
Repayment of short-term borrowings	-	(19,640)
Net Increase in cash credit, overdraft balances, credit card facilities and commercial papers	1,964	5,313
Finance costs paid	(1,200)	(1,268)
Payment of Lease Liabilities	(96)	-
Dividend paid on equity shares	(636)	(305)
Tax on dividend	(133)	(66)
(c) Net cash inflow / (outflow) from financing activities	(545)	(1,517)
(d) Net increase/ (decrease) in cash and cash equivalents (a + b + c)	(633)	(1,344)
(e) Cash and cash equivalents as at the commencement of the year	824	2,168
(f) Cash and cash equivalents as at the end of the year (d + e)	191	824

Reconciliation of cash and cash equivalents as per the cash flow statements

Cash and cash equivalents as per above comprise of the following

	31st Mar., 2020 Rs. in Lakhs	31st Mar., 2019 Rs. in Lakhs
Balances with bank		
- In current accounts	151	509
- In EEFC Accounts	39	16
Cheques, drafts on hand	-	296
Cash on hand	1	3
Balances as per statement of cash flows	191	824

Notes:

- The above Cash Flow Statement has been prepared under the "Indirect Method" set out in Indian Accounting Standard - 7 on Statement of Cash Flows.
- Previous year figures have been regrouped/ reclassified, wherever necessary to conform to current year classification.
- Other bank balances at the end of the year includes: (i) earmarked balances towards unpaid dividends Rs. 26 Lakhs (*Previous year Rs.17 Lakhs*) and (ii) margin money deposits Rs. 159 Lakhs (*Previous year Rs. 147 Lakhs*) includes security against license for import of goods under EPCG Scheme and hence are not available for immediate use by the Company.
- The interest paid during the year excludes Rs. 253 Lakhs (*Previous year Nil*) in respect of interest costs capitalised for the property, plant and equipment in accordance with Ind AS 23 and interest expense on loans for real estate development activities amounting to Rs. 394 Lakhs (*Previous year Rs. 507 Lakhs*).

* Amount is below rounding off norms of the Company.

Contd ...



3. The above results for the quarter and year ended 31st March, 2020 are prepared as per the requirements of Regulation 33 and 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, have been reviewed by the Audit Committee and thereafter approved at the meeting of the Board of Directors held on Saturday 25th July, 2020. The results for the year ended 31st March, 2020 have been audited by the statutory auditors of the Company.
4. The above financial results of the Company, have been prepared in accordance with Indian Accounting Standard ("Ind AS") as prescribed and Section 133 of Companies Act, 2013 read with the relevant rules issued thereunder and other accounting principles generally accepted in India.
5. Exceptional items:

		<i>(Rs. in Lakhs)</i>				
		Quarter ended			Year ended	
		31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
		(Refer Note 10)	(Unaudited)	(Refer Note 10)	(Audited)	(Audited)
(i)	Expected inflow/ (outflow) for disputed matters	-	698	-	698	(1,056)
(ii)	Gain on transfer of interest	-	-	85	-	85
(iii)	Impairment of investment in subsidiary	(1,216)	-	-	(1,216)	-
	TOTAL	(1,216)	698	85	(518)	(971)

- (i) The Company had received Rs. 1,017 Lakhs in the year ended 31st March, 2016 from the Hon'ble Debt Recovery Tribunal, Mumbai, towards principal and interest for loan given to Coromandel Garments Limited (presently under liquidation).

The Company had made a provision of Rs. 365 Lakhs in earlier years which was reversed on receipt of Rs. 1,017 Lakhs from Coromandel Garments Limited and accounted the balance as interest income during the year ended 31st March, 2016 on the belief that it was a remote future possibility that Rs. 1,017 Lakhs would become refundable upon the final outcome of this matter.

In July 2018, in a separate proceeding the Hon'ble High Court, Mumbai had directed the Company to refund the aforesaid amount of Rs. 1,017 Lakhs with interest. Consequently, the Company refunded Rs. 1,056 Lakhs [including interest calculated from the date of the order till the date of payment aggregating Rs. 39 Lakhs] and recorded this as an exceptional expense during the year ended 31st March, 2019. The Company was subsequently directed by the Hon'ble High Court to pay interest from the date the amount was received by the Company, which was appealed by the Company. The Company had separately filed its Affidavit of Claim for receipt Rs. 325 Lakhs along with interest at the bank rate with the Official Liquidator.

During the current year, the Official Liquidator vide order dated 23rd December, 2019 adjudicated and admitted a claim of Rs. 744 Lakhs (comprising Rs. 325 Lakhs towards loan and Rs. 419 Lakhs as interest). Accordingly, the Company has recorded Rs. 698 Lakhs (i.e. Rs. 744 Lakhs recoverable based on adjudication order from the Official Liquidator, net of interest provided of Rs. 46 Lakhs) as exceptional income during the year ended 31st March, 2020.

- (ii) The real estate development operations under "Project Vicinia" was being executed at a plot of land situated at Chandivali, Mumbai as per the terms of the development agreement between the Company and Videocon Realty and Infrastructure Limited ("VRIL") forming part of the consent terms filed with the Hon'ble Bombay High Court in 2011 for the then existing dispute. Subject to compliance with the terms of the said development agreement, VRIL was entitled to 50% of the saleable area and 50% of the rights in the permissible Floor Space Index in Project Vicinia.

During the year and quarter ended 31st March, 2019, considering delays in making critical payments by VRIL, to protect the interests of all stakeholders including the Company and purchasers of individual flats, the Company terminated the aforesaid development agreement. Consequently, the matter was referred to arbitration and vide the arbitration award dated 25th February, 2019 the Company was directed to pay an amount of Rs. 15,300 Lakhs to VRIL for restitution and that on payment of aforesaid amount, VRIL would have no interest, rights, title or any claim in respect of Project Vicinia.

Additionally, the Company entered into a Business Transfer Agreement ("BTA") with Paikar Real Estates Private Limited (hereinafter known as "PREPL"), (a fellow subsidiary) dated 27th February, 2019 to transfer 50% interest in the aforesaid real estate development project (which the Company got through restitution), by way of slump sale on an as-is-where-is basis as a going concern for an aggregate consideration of Rs. 15,500 Lakhs. The board of directors and shareholders approved this transaction with PREPL on 27th February, 2019 and 29th March, 2019 respectively. As per the terms of BTA, the Company did not have ability to control or rights to variable returns over VRIL's interest in the Project Vicinia which the Company got pursuant to the arbitration award.

h



Contd...

Subsequently, on receipt of the consideration from PREPL, the Company made payment of Rs. 15,300 Lakhs to VRIL on 2nd March, 2019 as per terms stated in the arbitration award and consequently, VRIL's interest in the development agreement was transferred to PREPL.

The Company and PREPL are each independently entitled to 50% of the saleable area, 50% of the rights in the permissible Floor Space Index and for their own individual development and consequent sale of their respective individual flats for the specified land being developed.

Pursuant to the aforesaid transaction, the Company incurred legal and administrative costs aggregating Rs. 115 Lakhs which have been netted off against the gain on the aforesaid transfer. The net gain on this transaction, aggregating Rs. 85 Lakhs has been reflected as an exceptional item during the quarter and year ended 31st March, 2019.

- (iii) During the year ended 31st March, 2020, Forbes Technosys Limited (FTL) has incurred a total comprehensive loss of Rs. 6,015 Lakhs, has accumulated losses of Rs. 14,264 Lakhs, its current liabilities exceeded current assets by Rs. 13,306 Lakhs. The Company has infused additional capital of Rs. 1,000 Lakhs to support FTL's cash flow and aid it to meet its liabilities in the current year.

FTL has suffered a setback in the last few years which is temporary in nature due to muted demand and stress in some of the key sectors that FTL has been traditionally dependent on, such as banking and telecom. The entry of several local players in the e-payments space and heightened competition has put additional pressure on the margin of FTL.

The Covid-19 pandemic has severely disrupted business operations around the world due to global lockdown and other emergency measures imposed by various governments. This has also impacted the operations of FTL as its manufacturing units and offices had to be completely shut-down multiple times between March and July 2020. Also, supply chain for critical electronic components required for sales and services were affected since January 2020, which eventually affected performance during the year ended 31st March, 2020 as well as during the continued extended lockdown restrictions till date. The present situation coupled with the impact of Covid-19 has resulted in a decline in the recoverable value of investment in FTL, consequent to which an impairment provision of Rs. 1,216 Lakhs has been created during the quarter ended 31st March, 2020.

The Management has carried out a detailed evaluation in respect of the future business prospects of FTL coupled with innovative software solutions, large value orders secured, gradual increase in sales orders executed including those in pipeline, cost rationalization, product portfolio diversification strategies implemented by FTL management etc. These initiatives make FTL well poised to reap in benefits in the long run, despite some challenges including Covid-19. Accordingly, the management are confident of recovering the remaining carrying value of amounts recoverable from FTL.

6. Details of Redeemable Non-Convertible Debentures are as follows: -

S. No.	Particulars	Previous Due Date		Next Due Date	
		Principal	Interest	Principal	Interest
1	980FCL20 (Face Value Rs. 6,000 Lakhs)	Refer Note (a) below	Refer Note (a) below	Refer Note (a) below	Refer Note (a) below
2	910FORBES19 (Face Value Rs. 4,000 Lakhs)	Refer Note (b) below	Refer Note (b) below	Refer Note (b) below	Refer Note (b) below

All the interests due and redemption of principal were paid on due dates.

Notes:

- (a) The holders of Redeemable Non-Convertible Debentures have exercised the put option for redemption of the entire principal amount of the Redeemable Non-Convertible Debentures of the Company aggregating Rs. 6,000 Lakhs due on 10th September, 2018 which has been paid on due date during the quarter ended 30th September, 2018.
- (b) The Redeemable Non-Convertible Debentures of the Company aggregating Rs. 4,000 Lakhs due on 22nd July, 2019 have been paid on the due date during the year.

Contd...



7. Ind AS 115 'Revenue from Contracts with Customers', a new accounting standard notified by the Ministry of Corporate Affairs (MCA) on 28th March, 2018 was effective from accounting period beginning on or after 1st April, 2018 and replaced the existing revenue recognition standards. The application of Ind AS 115 has a significant bearing on the Company's accounting for recognition of revenue from real estate development projects.

The Company had applied the modified retrospective approach as on 1st April 2018 and recorded a transitional impact in retained earnings towards the reversal of profits aggregating Rs. 5,083 Lakhs (net of tax) on real estate projects under development (i.e. flats under construction) for contracts not completed as on 1st April, 2018.

Had the company continued application of earlier standards for revenue recognition for its real estate projects instead of Ind AS 115, the following line items would be higher by amounts as disclosed below:

Financial Statement Line Item	Quarter ended			Year ended	
	31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
	<i>(Rs. in Lakhs)</i>				
Revenue	4,694	3,211	4,535	13,546	8,880
Changes in inventories of finished goods, work-in-progress and stock-in-trade	3,179	1,856	2,661	8,172	5,196
Profit Before Tax	1,515	1,355	1,874	5,373	3,684

Additionally, as at 31st March, 2020, real estate work-in-progress included in inventory is higher by Rs. 24,531 Lakhs (*Previous year Rs. 16,359 Lakhs*) and advances from customers included in other current liabilities is higher by Rs. 37,949 Lakhs (*Previous year Rs. 24,266 Lakhs*) and unbilled revenue included in other financial assets is lower by Rs. 3,413 Lakhs (*Previous year Rs. 3,558 Lakhs*).

Further, certain indirect costs (e.g. Selling expenses, commission & brokerage, Advertisement and sales promotion, depreciation and other administrative expenses) pertaining to real estate development project for the year ended 31st March, 2020 aggregating Rs. 1,170 Lakhs (quarter ended 31st March, 2020 of Rs. 727 Lakhs; quarter ended 31st December, 2019 of Rs. 130 Lakhs; year ended 31st March, 2019 of Rs. 1,201 Lakhs; and quarter ended 31st March, 2019 of Rs. 480 Lakhs) are being recognized as an expense in the Statement of Profit and Loss as and when incurred.

8. On 30th March, 2019, the Ministry of Corporate Affairs ("MCA") through the Companies (Indian Accounting Standards) Amendment Rules, 2019 ("Rules") had notified Ind AS 116 which replaced the existing lease standard, Ind AS 17. The provisions of the Rules came into force on 1st April, 2019.

The Company had taken the choice to adopt Ind AS 116 retrospectively by giving the cumulative impact of transition at the date of initial application of the standard i.e. 1st April, 2019. Accordingly, on the initial date of application, the Company had recognized the right of use of assets at an amount equal to the lease liability, adjusted by the amount of any prepaid payments relating to that lease recognized in the Balance Sheet immediately prior to 1st April, 2019.

Right of use of assets has been created of Rs. 362 Lakhs (including prepaid leasehold land of Rs. 24 Lakhs) and correspondingly lease liabilities of Rs. 338 Lakhs had been recognized for the leased premises on 1st April, 2019.

Had the Company continued application of earlier standards instead of Ind AS 116, rent expense (included in Other Expenses) would be higher by Rs. 96 Lakhs for the year ended 31st March, 2020 (Rs. 25 Lakhs for the quarter ended 31st March, 2020 and Rs. 24 Lakhs for the quarter ended 31st December, 2019), Finance Costs would be lower by Rs. 34 Lakhs for the year ended 31st March, 2020 (Rs. 9 Lakhs for the quarter ended 31st March, 2020 and Rs. 9 Lakhs for the quarter ended 31st December, 2019) and depreciation expense would be lower by Rs. 81 Lakhs for the year ended 31st March, 2020 (Rs. 21 Lakhs for the quarter ended 31st March, 2020 and Rs. 20 Lakhs for the quarter ended 31st December, 2019).

9. The COVID-19 pandemic has severely disrupted the world's business operations due to global lockdown and other emergency measures imposed by the various governments. The operations of the Company were impacted due to the shutdown of plants, real estate development project and offices following the nationwide lockdown. The Company commenced with its operations in a phased manner starting from 23rd April, 2020 in line with the directives from the authorities.



Contd...

The Company has evaluated the impact of this pandemic on its business operations, liquidity and recoverability/ carrying values of its assets including property, plant and equipment, trade receivables, inventory and investments as at the Balance Sheet date and based on the management's review of the current indicators and economic conditions there is no additional adjustments on its financial statements for the year ended 31st March, 2020. The Company has adequate unutilized fund-based credit facilities available, to take care of any urgent requirement of funds.

The Company throughout the lockdown period and even subsequently has been able to maintain adequate control of its assets and there are no significant changes to its control environment during the period. In the case of inventory, management has performed the 'wall to wall' verification for all its locations and again at date subsequent to the year end in the presence of an external firm of Chartered Accountants to obtain comfort over the existence and condition of inventories as at 31st March, 2020 including appropriate roll backward procedures.

However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and accordingly, the impact may be different from that estimated as at the date of approval of these financial results. The Company will continue to monitor any material changes to future economic conditions.

10. The figures of the quarter ended 31st March, 2020 and 31st March, 2019 are balancing figures between the audited figures in respect of the full financial year ended on 31st March, 2020 and 31st March, 2019 as reported in these financial results and the unaudited published year to date figures up to third quarter ended on 31st December, 2019 and 31st December, 2018 respectively, which were subjected to Limited Review by the Statutory Auditors.
11. Figures for the previous periods are re-classified / re-arranged / regrouped, wherever necessary, to correspond with the current period's classification / disclosure.

Mumbai,
25th July, 2020



For Forbes & Company Limited


(Mahesh Tahilyani)
Managing Director
DIN: 01423084

Price Waterhouse Chartered Accountants LLP

Independent Auditors' Report

To the Members of Forbes & Company Limited

Report on the audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Forbes & Company Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and total comprehensive income (comprising of loss and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Emphasis of Matter

4. We draw your attention to Note 52 to the standalone financial statements which describes the management's assessment of the impact of the outbreak of Coronavirus (Covid-19) on the business operations of the Company. The Company believes that no additional adjustments are required in the financial statements, however, in view of various preventive measures taken (such as complete lock-down including travel restrictions) and highly uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve. Further, our attendance at the physical verification of inventory carried out by the management was impracticable under the current lockdown restrictions imposed by the government and we have therefore relied on the related alternative audit procedure to obtain comfort over the existence and condition of inventory at the year end. Our opinion is not modified in respect of this matter.

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were

Price Waterhouse Chartered Accountants LLP, 252, Veer Savarkar Marg, Shivaji Park, Dadar (West),
Mumbai – 400 028
T: +91 (22) 66691500, F: +91 (22) 66547804 / 07

Registered office and Head Office: Sucheta Bhawan, 11A Vishnu Digambar Marg, New Delhi – 110002

Price Waterhouse (a Partnership Firm) Converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/N500016 (ICAI registration number before conversion was 012754N)



Price Waterhouse Chartered Accountants LLP

**Independent Auditors' Report
To the Members of Forbes & Company Limited
Report on the audit of the Standalone Financial Statements
Page 2 of 7**

addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p>(a) Impairment risk of investment in and receivables from a wholly owned subsidiary and (b) Financial exposure relating to guarantee given to the same subsidiary (Refer Notes 8, 9, 10, 11, 32B, 39, 40 and 53 to the standalone financial statements)</p> <p>The Company has investment aggregating Rs. 7,650.01 Lakhs (net of impairment) in Forbes Technosys Limited (FTL), a wholly owned subsidiary and also has financial exposure by way of outstanding receivables (including inter-corporate deposits outstanding) aggregating Rs. 472.25 Lakhs and financial guarantees given to FTL aggregating Rs. 12,962.00 Lakhs as on March 31, 2020.</p> <p>During the year ended March 31, 2020, FTL has earned total comprehensive loss aggregating Rs. 6,014.92 Lakhs and FTL's current liabilities exceeded its current assets by Rs. 13,306.25 Lakhs. This is an indicator of potential impairment of the investments, outstanding receivables and financial exposure relating to financial guarantees given.</p> <p>The Company has recognised an impairment charge of Rs. 1,216.29 Lakhs for the year ended March 31, 2020 towards decline in the recoverable value of investments in FTL considering the recoverable value determined by management as described below, after considering the present market situation including the impact of Covid-19 on FTL's future business prospects.</p> <p>The management has estimated that the balance recoverable value of FTL is sufficient to cover the cumulative carrying value of total exposure in FTL's remaining investments, outstanding receivables (including inter-corporate deposits outstanding) and liability, if any, towards financial guarantees, basis valuation performed by the management considering inputs from an independent professional valuer.</p>	<p>Our procedures in relation to management's assessment of impairment risk and financial exposures included the following:</p> <ul style="list-style-type: none">• Evaluating and validating the design and operating effectiveness of the controls over determination of recoverable value of investments and receivables (including valuation model, assumptions and judgements);• Assessing the accuracy and reasonableness of the input data provided by the Management by way of agreeing with approved budgets;• Analysis of past trends by comparing the historical results vis-à-vis corresponding budgets;• Evaluating management expert's independence, competence, capabilities and objectivity;• Assessing along with the auditors' experts the reasonableness of the Company's process regarding impairment assessment and assumptions used in the impairment model;• Developing independent expectations regarding the impairment testing based on our understanding of the business, external industry trends and the subsidiary's historic business activity and evaluating the Company's impairment testing results against our expectations;• Performing sensitivity analysis and evaluating whether any reasonably foreseeable change in assumptions could lead to any additional impairment;• Testing the mathematical accuracy of the underlying calculations; and• Assessing the adequacy of disclosures in the financial statements. <p>Based on the above procedures performed, the management's assessment in respect of impairment risk of investment in and receivables (including inter-corporate deposits outstanding)</p>



Price Waterhouse Chartered Accountants LLP

Independent Auditors' Report
To the Members of Forbes & Company Limited
Report on the audit of the Standalone Financial Statements
Page 3 of 7

Key audit matter

The recoverable value of the investment has been determined using the discounted cash flow method which involved significant estimates and judgement, including earning growth rate, cost escalation/savings, discount rate, terminal growth rate etc. and is highly dependent on the management's assumptions and management expert's inputs and assumptions and hence considered as a Key Audit Matter.

(b) Implementation of Revenue recognition standard (Ind-AS 115) for Real Estate Development Activities (Refer Notes 25 and 51 to the standalone financial statements)

Consequent to the implementation of Ind-AS 115, effective April 1, 2018, there has been change in the Company's policy for revenue recognition in respect of its real estate development projects.

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

Revenue recognition for real estate development activities is considered as a key audit matter considering significance of amounts involved, substantial transitional impact due to implementation of Ind-AS 115 along with related disclosures and involvement of management judgement in establishing enforceable right to payment for performance completed to date.

How our audit addressed the key audit matter

from a wholly owned subsidiary, and financial exposure relating to guarantee is considered to be reasonable.

Our audit procedures included obtaining a listing of contracts with customers from the Management, and carrying out a combination of testing of internal financial controls with reference to financial statements for revenue recognition over real estate projects and test of details on a sample of transactions, which included:

- Obtaining an understanding of the process and testing key controls followed by the management over revenue recognition for real estate development projects including controls surrounding implementation of Ind-AS 115;
- Evaluating existence and completeness of the list of contracts with customers, and examining the mathematical accuracy thereof;
- Obtaining evidence regarding the transfer of control considering the criteria as per Ind-AS 115 for ensuring existence of enforceability of payment for work completed to date; and
- Testing the accuracy and completeness of disclosures in the standalone financial statements.

Based on the above audit procedures performed, we did not come across any significant exceptions with regard to the implementation of Ind-AS 115 in respect of real estate development activities.



Price Waterhouse Chartered Accountants LLP

Independent Auditors' Report
To the Members of Forbes & Company Limited
Report on the audit of the Standalone Financial Statements
Page 4 of 7

Key audit matter

(c) Assessment of Provisions and Contingent Liabilities

(Refer to Notes 19A and 39 to the standalone financial statements)

As at March 31, 2020, in respect of certain direct and indirect tax matters and other litigations, the Company has recognised provisions aggregating Rs. 311.50 Lakhs and disclosed contingent liabilities aggregating Rs. 15,042.44 Lakhs.

The Company undergoes assessment proceedings and related litigations with direct and indirect tax authorities and with certain other parties. There is a high level of management judgement required in estimating the probable outflow of economic resources and the level of provisioning and/or the disclosures required. The judgement of the management is supported by advice from independent tax and legal consultants, as considered necessary by the management. Any unexpected adverse outcomes could significantly impact the Company's reported profit and financial position.

We considered the above area as the key audit matter due to associated uncertainty of the ultimate outcome and significant management judgement involved.

How our audit addressed the key audit matter

Our audit procedures included the following:

- Understanding and evaluating the process and controls designed and implemented by the management including testing the operating effectiveness of the relevant controls;
- Obtaining the details of the related matters, inspecting the supporting evidences and assessing management's evaluation through discussions with management on both the likelihood of outcome and the magnitude of potential outflow of economic resources;
- Understanding the current status of the direct and indirect tax assessments/ litigations;
- Reading recent orders and/ or communication received from the tax authorities and with certain other parties and management responses to such communication;
- Where relevant, reading the most recent available independent tax / legal advice obtained by management and evaluating the grounds presented therein;
- Evaluating independence, objectivity and competence of the management's tax / legal consultants;
- Obtaining direct written confirmations from the Company's legal/ tax consultants (internal/ external) to confirm the status of the assessments as well as had direct discussion with them as and when required.
- Together with the auditor's tax experts, assessed the likelihood of the potential financial exposures.
- Assessing the adequacy of disclosure in the standalone financial statements.

Based on the above procedures we did not identify any material exceptions relating to management's assessment of provisions and contingent liabilities.



Price Waterhouse Chartered Accountants LLP

**Independent Auditors' Report
To the Members of Forbes & Company Limited
Report on the audit of the Standalone Financial Statements
Page 5 of 7**

Other Information

6. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the board report and corporate governance report but does not include the standalone financial statements and our auditors' report thereon.

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

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

Responsibilities of management and those charged with governance for the financial statements

7. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
8. In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

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



Price Waterhouse Chartered Accountants LLP

**Independent Auditors' Report
To the Members of Forbes & Company Limited
Report on the audit of the Standalone Financial Statements
Page 6 of 7**

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
11. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

14. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
15. As required by Section 143(3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.



Price Waterhouse Chartered Accountants LLP

Independent Auditors' Report
To the Members of Forbes & Company Limited
Report on the audit of the Standalone Financial Statements
Page 7 of 7

- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
 - (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Notes 19A and 39 to the standalone financial statements;
 - ii. The Company has long-term contracts as at March 31, 2020 for which there were no material foreseeable losses and did not have any derivative contracts as at March 31, 2020;
 - iii. Except as referred to in Note 18B to the standalone financial statements, there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2020.
16. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants



Sarah George
Partner
Membership Number: 045255
UDIN: 20045255AAAAGZ8605

Place: Mumbai
Date: July 25, 2020

Statement of Consolidated Financial Results for the quarter and year ended 31st March, 2020
(Rs. in Lakhs)

Particulars	Quarter ended			Year ended	
	31.03.2020 (Refer Note 18)	31.12.2019 (Unaudited)	31.03.2019 (Refer Note 18)	31.03.2020 (Audited)	31.03.2019 (Audited)
1 Income					
Revenue from operations (Refer Note 14 below)	61,890	69,995	72,089	2,75,458	2,85,326
Other income	1,577	647	1,268	3,693	3,766
Total Income	63,467	70,642	73,357	2,79,151	2,89,092
2 Expenses					
Real estate development costs	3,966	1,821	3,266	8,731	7,555
Cost of materials consumed	17,729	17,093	19,126	77,148	75,930
Purchases of stock-in-trade	5,297	5,914	5,669	27,489	26,629
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(2,485)	51	(3,429)	(11,055)	(3,588)
Employee benefits expense	16,666	17,459	14,739	69,521	68,593
Finance costs	2,846	2,790	2,084	10,138	8,938
Depreciation and amortisation expense	2,724	2,474	1,680	9,916	7,705
Other expenses	26,134	25,476	28,212	1,00,503	95,931
Total expenses	72,877	73,078	71,347	2,92,391	2,87,693
3 Profit/ (Loss) before exceptional items, Share of net profit of investment accounted for using equity method and tax	(9,410)	(2,436)	2,010	(13,240)	1,399
4 Share of Profit of Associates / Joint ventures (net)	(152)	194	258	632	722
5 Profit/(Loss) before exceptional items and tax	(9,562)	(2,242)	2,268	(12,608)	2,121
6 Exceptional items (Net) (Refer Note 5 below)	(6,770)	298	85	(21,469)	(971)
7 Profit/ (Loss) before tax	(16,332)	(1,944)	2,353	(34,077)	1,150
8 Tax expense					
Current tax	(254)	238	471	894	2,637
Deferred tax	(1,531)	317	(233)	(1,143)	(1,189)
	(1,785)	555	238	(249)	1,448
9 Profit/ (Loss) after tax	(14,547)	(2,499)	2,115	(33,828)	(298)
10 Other Comprehensive Income/ (Loss)					
A (i) Items that will not be reclassified to statement of profit or loss					
(a) Remeasurement of the defined benefit plans	(212)	68	(12)	(188)	(63)
(b) Equity instruments through other comprehensive income	(206)	-	(89)	(206)	(89)
(c) Income Tax relating to the above items	107	(4)	53	111	54
B (i) Items that may be reclassified to statement of profit or loss					
(a) Exchange differences in translating the financial statements of foreign operations	285	(1,117)	270	(1,356)	395
Other Comprehensive Income / (Loss) (net of tax)	(26)	(1,053)	222	(1,639)	297
11 Total Comprehensive Income / (Loss) for the period / year	(14,573)	(3,552)	2,337	(35,467)	(1)
12 Profit/ (Loss) for the year attributable to:-					
(i) Owners of the Company	(14,068)	(2,238)	2,007	(32,461)	697
(ii) Non controlling interests	(479)	(261)	108	(1,367)	(995)
	(14,547)	(2,499)	2,115	(33,828)	(298)
13 Other comprehensive income/ (loss) for the year attributable to:-					
(i) Owners of the Company	(132)	(1,053)	218	(1,745)	293
(ii) Non controlling interests	106	-	4	106	4
	(26)	(1,053)	222	(1,639)	297
14 Total comprehensive income/ (loss) for the year attributable to:-					
(i) Owners of the Company	(14,200)	(3,291)	2,225	(34,206)	990
(ii) Non controlling interests	(373)	(261)	112	(1,261)	(991)
	(14,573)	(3,552)	2,337	(35,467)	(1)
15 Paid-up equity share capital (Face Value of Rs. 10 each)	1,290	1,290	1,290	1,290	1,290
16 Other equity (excluding Revaluation Reserve)				(10,105)	25,074
17 Basic and diluted earnings per equity share attributable to owners of the Company (after exceptional items)	Rs. (110.49)	Rs. (17.58)	Rs. 15.76	Rs. (254.95)	Rs. 5.47

(Quarter and year to date figures not annualised)

See accompanying notes to the consolidated financial results.

Contd ...



Reporting of Segment wise Revenue, Results, Assets and Liabilities

Based on the evaluation of Ind AS 108 - Operating Segments, the management has identified the following operating segments viz., Health, Hygiene, Safety Products and its services, Engineering, Real Estate, IT Enabled Services and Products and Shipping and Logistics Services.

The Group has reclassified the segment disclosure as prescribed under Ind AS 108 and accordingly previous year disclosure has been restated.

(Rs. in Lakhs)

	Quarter ended			Year ended	
	31.03.2020 (Refer Note 18)	31.12.2019 (Unaudited)	31.03.2019 (Refer Note 18)	31.03.2020 (Audited)	31.03.2019 (Audited)
1 Segment Revenue					
(a) Health, Hygiene, Safety Products and its services	52,592	60,508	58,816	2,36,996	2,38,843
(b) Engineering	3,911	4,592	5,345	17,641	20,913
(c) Real Estate	500	489	457	1,954	1,903
(d) IT Enabled Services and Products	1,978	1,525	4,376	7,538	12,385
(e) Shipping and Logistics Services	2,947	2,915	3,134	11,468	11,414
(f) Others	6	10	5	33	33
Total	61,934	70,039	72,133	2,75,630	2,85,491
Less: Inter Segment Revenue	(44)	(44)	(44)	(172)	(165)
Total income from operations (net)	61,890	69,995	72,089	2,75,458	2,85,326
2 Segment Results [(Profit/(Loss) before Tax and Interest from each Segment (including exceptional items related to segments)]					
(a) Health, Hygiene, Safety Products and its services	* (10,185)	1,069	1,200	* (20,111)	5,754
(b) Engineering	(612)	(179)	817	(894)	2,673
(c) Real Estate	(211)	169	(116)	634	333
(d) IT Enabled Services and Products	# (2,343)	# (891)	1,368	# (4,162)	1,473
(e) Shipping and Logistics Services	(88)	93	1,071	119	207
(f) Others	32	(8)	(10)	9	(31)
Total segment results	(13,407)	253	4,330	(24,405)	10,409
Add: Share of profit of joint ventures and associates accounted for using equity method	(152)	194	258	632	722
Add: Exceptional Items - Income /(Expense)	-	698	-	698	-
Less: Finance costs	(2,846)	(2,790)	(2,084)	(10,138)	(8,938)
Balance	(16,405)	(1,645)	2,504	(33,213)	2,193
Add: Unallocable income / (expense) (net)	73	(299)	(151)	(864)	(1,043)
Profit / (Loss) from ordinary activities before tax	(16,332)	(1,944)	2,353	(34,077)	1,150
3 Segment Assets					
(a) Health, Hygiene, Safety Products and its services	1,45,124	1,55,071	1,64,613	1,45,124	1,64,613
(b) Engineering	15,945	16,838	14,064	15,945	14,064
(c) Real Estate	37,278	33,427	28,650	37,278	28,650
(d) IT Enabled Services and Products	19,471	21,645	23,910	19,471	23,910
(e) Shipping and Logistics Services	38,973	39,301	40,478	38,973	40,478
(f) Others	4	6	17	4	17
(g) Unallocated	17,986	17,473	16,188	17,986	16,188
Total Assets	2,74,781	2,83,761	2,87,920	2,74,781	2,87,920
4 Segment liabilities					
(a) Health, Hygiene, Safety Products and its services	1,58,235	1,58,141	1,50,955	1,58,235	1,50,955
(b) Engineering	10,045	9,675	4,297	10,045	4,297
(c) Real Estate	46,864	40,774	32,678	46,864	32,678
(d) IT Enabled Services and Products	20,452	20,917	21,019	20,452	21,019
(e) Shipping and Logistics Services	27,715	27,132	27,420	27,715	27,420
(f) Others	1,041	5	3	1,041	3
(g) Unallocated	9,394	11,422	14,261	9,394	14,261
Total Liabilities	2,73,746	2,68,066	2,50,633	2,73,746	2,50,633

Notes on Segment Information:

- The Chief Operating Decision maker of the Group examines the Group's performance from a product portfolio and the industries in which they operate and has identified five reportable segments at the group level.
- Details of product categories included in each segment comprises:
 - Health, Hygiene, Safety Products and its services includes manufacturing, selling, renting and servicing of vacuum cleaners, water filter cum purifiers, water and waste water treatment plant, trading in electronic air cleaning systems, small household appliances, digital security system and fire extinguisher etc.
 - Engineering Segment includes manufacture/ trading in Precision Cutting Tools, Spring Lock Washers and Marking Systems.
 - Real Estate includes income from renting out investment properties and revenue from real estate development project.
 - IT Enabled Services and Products includes trading of note counting machines, electronic cash register, point of sale machine, manufacturing of different types of kiosks, Forbes Xpress consisting of sale of mobile recharge, bill payments and money transfer, transaction network and services comprising of maintenance, servicing and support services for kiosks and other devices.
 - Shipping and Logistics Services segment carries on business of ship owners, charterers etc.
 - Unallocable Corporate Assets mainly comprises of investments, tax receivables and other unallocable assets.
 - Unallocable Liabilities comprise borrowings, provisions and other unallocable liabilities.
- Segment revenue, segment results, segment assets and segment liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis considering the product portfolio and reportable segments when evaluated from the group perspective. Accordingly, certain amounts considered as unallocated by individual subsidiaries of the group have been classified for the purposes of the consolidated segment disclosure based on the product portfolio and industry of the respective subsidiary as this would be more relevant to the users of the financial statements.

* Includes a non-cash charge of impairment of goodwill of Rs. 21,646 Lakhs (for the quarter ended March 31, 2020 Rs. 6,649 Lakhs).

Includes a non-cash charge of impairment of intangible assets under development of Rs. 521 Lakhs (for the quarter ended December 31, 2019 Rs. 400 Lakhs and for the quarter ended March 31, 2020 Rs. 121 Lakhs).

Contd ...



1. Consolidated Statement of Assets and Liabilities as at 31st March, 2020.

Particulars	(Rs. in Lakhs)	
	As at 31.03.2020 (Audited)	As at 31.03.2019 (Audited)
Assets		
1 Non-current assets		
a) Property, Plant and Equipment	57,179	55,275
b) Right-of-use assets	4,354	-
c) Capital work-in-progress	115	410
d) Investment Properties	2,488	2,565
e) Goodwill	28,111	49,840
f) Other Intangible assets	10,587	5,670
g) Intangible assets under development	2,779	8,324
h) Financial Assets:		
i) Investments	8,647	8,074
ii) Trade receivables	2,362	5,301
iii) Loans	2,383	3,326
iv) Other financial assets	1,076	3,454
	14,468	20,155
i) Tax assets		
ii) Deferred tax assets (net)	7,786	6,652
iii) Income tax assets (net)	7,449	6,131
	15,235	12,783
j) Other non-current assets	5,059	6,450
Total Non-current assets	1,40,375	1,61,472
2 Current assets		
a) Inventories	71,358	59,653
b) Financial Assets:		
i) Investments	3,703	2
ii) Trade receivables	40,702	46,511
iii) Cash and cash equivalents	3,453	7,056
iv) Bank balances other than (iii) above	3,002	433
v) Loans	1,157	329
vi) Other financial assets	1,365	1,133
	53,382	55,464
c) Other current assets	9,665	11,327
	63,047	66,791
Assets classified as held for sale	1	4
Total Current assets	1,34,406	1,26,448
Total Assets	2,74,781	2,87,920
Equity and Liabilities		
Equity		
a) Equity share capital	1,290	1,290
b) Other equity	(10,105)	25,074
Equity attributable to owners of the Company	(8,815)	26,364
Non-controlling interests	9,850	10,923
Total Equity	1,035	37,287
Liabilities		
1 Non-current liabilities		
a) Financial liabilities:		
i) Borrowings	34,383	57,852
ii) Lease Liabilities	2,613	-
iii) Other financial liabilities	4,263	4,668
	41,259	62,520
b) Provisions	1,282	1,049
c) Deferred tax liabilities (net)	352	486
d) Other non-current liabilities	12,593	12,036
	55,486	76,091
Total Non-current liabilities	55,486	76,091
2 Current liabilities		
a) Financial liabilities:		
i) Borrowings	44,489	28,897
ii) Trade payables		
a) total outstanding dues of micro enterprises and small enterprises; and	2,832	1,897
b) total outstanding dues of creditors other than micro enterprises and small enterprises	37,803	39,132
iii) Lease Liabilities	1,855	-
iv) Other financial liabilities	48,144	38,438
	1,35,123	1,08,364
b) Provisions	4,285	3,101
c) Current tax liabilities (net)	498	500
d) Other current liabilities	78,354	62,577
	2,18,260	1,74,542
Total Current Liabilities	2,18,260	1,74,542
Total Liabilities	2,73,746	2,50,633
Total Equity and Liabilities	2,74,781	2,87,920



Contd ...

2. Consolidated Statement of Cash flows for the year ended 31st March, 2020

(Rs. in Lakhs)

	Year Ended 31.03.2020 (Audited)	Year Ended 31.03.2019 (Audited)
Cash flows from operating activities		
Loss before tax	(34,077)	1,150
Adjustments for -		
Depreciation and amortisation expense	9,916	7,705
Post acquisition share of profit/(loss) of Joint Venture (using Equity Method)	(632)	(721)
Interest income earned on financial assets that are not designated as at fair value through profit or loss		
i) Bank deposits	(178)	(143)
ii) Interest income from financial assets and others at amortised cost	(86)	(261)
Interest on Income Tax/ Wealth Tax refund	(317)	(386)
Finance costs	10,138	8,938
Dividend Income *	-	-
(Gain) on disposal of property, plant and equipment	(448)	(56)
(Gain) on disposal of Right of use assets	(8)	-
(Gain) on disposal/ fair value of current investments	(105)	(413)
(Gain) on disposal of subsidiary	-	(85)
Provision/ written off (net) for trade receivables and advances	3,279	974
Credit balances/ excess provision written back	(156)	(749)
Net foreign exchange gain/ (loss) including effect of exchange difference on consolidation of foreign entities	(1,412)	(509)
	19,991	14,294
Exceptional items:		
- Gain on transfer of interest	-	(85)
- Expected out flow for disputed matters	(698)	1,056
- Impairment of Goodwill	21,646	-
- Provision for impairment of certain intangible assets under development	522	-
	21,470	971
	41,461	15,265
Operating profit before working capital changes	7,384	16,415
Changes in working capital:		
(Increase)/ decrease in trade and other receivables	6,634	(5,576)
(Increase)/ decrease in inventories	(11,705)	(4,879)
(Increase)/ decrease in other loans and advances	383	(612)
(Increase)/ decrease in other financial assets	3,150	(906)
(Increase)/ decrease in other assets	2,772	1,833
Increase/ (decrease) in trade and other payables	(253)	1,210
Increase/ (decrease) in other financial liabilities	(1,047)	918
Increase/ (decrease) in provisions	1,184	41
Increase/ (decrease) in other liabilities	16,335	13,900
	17,453	5,929
Cash generated from operations	24,837	22,344
Income taxes (paid)/ refunds received (net)	(1,896)	(1,598)
(a) Net cash flow generated from operating activities	22,941	20,746
Cash flows from investing activities:		
Payments for property, plant and equipment (net of capital creditors and including capital advances, capital work-in-progress, investment properties and intangible assets)	(9,370)	(6,393)
Proceeds from disposal of property, plant and equipment (including investment properties and intangible assets)	971	1,967
Restitution for termination of agreement for development of project	-	(15,300)
Proceeds from slump sale (net of incidental expenses incurred)	-	15,385
Payment for disputed matters	-	(1,056)
Purchase of current investments	(12,000)	(35,613)
Proceeds from sale of current investments	8,404	36,043
Payments for Long Term Investments	-	(198)
Proceeds from sale of investments in subsidiaries and others	-	243
Bank balances not considered as cash and cash equivalents	(2,568)	(8)
Interest received	251	401
Dividend received *	-	-
(b) Net cash flow (used in) investing activities	(14,312)	(4,529)

* Amount is below rounding off norms of the Group.



Contd ...

	Year Ended 31.03.2020 (Audited)	Year Ended 31.03.2019 (Audited)
Cash flows from financing activities:		
Proceeds from long-term borrowings	5,024	18,502
Repayment of long-term borrowings	(20,521)	(31,238)
Proceeds from short-term borrowings	16,600	25,484
Repayment of short-term borrowings	(6,540)	(25,140)
Net increase/ (decrease) in Cash credit facilities, Buyers Credit, Overdraft facility, credit card facilities and Loans repayable on demand	5,197	(1,408)
Finance costs paid	(9,184)	(8,796)
Payment of Lease Liabilities	(2,034)	-
Expenses on Issue of Shares by subsidiary	(15)	-
Dividend paid on equity shares	(628)	(301)
Tax on dividend	(133)	(66)
(c) Net cash flow (used) in financing activities	(12,234)	(22,963)
(d) Net (decrease) in cash and cash equivalents (a + b + c)	(3,605)	(6,746)
(e) Cash and cash equivalents as at the commencement of the period	7,056	13,700
(f) Cash and cash equivalents on disposal of subsidiary	-	(34)
(g) Effects of exchange rate changes on cash and cash equivalents	2	136
(h) Cash and cash equivalents as at the end of the period (d + e + f + g)	3,453	7,056

Reconciliation of cash and cash equivalents as per the cash flow statements

	As at 31.03.2020 (Audited)	As at 31.03.2019 (Audited)
Cash and cash equivalents as per above comprise of the following		
Balances with Banks		
- In current accounts	3,263	5,839
- In EEFC accounts	39	16
- In Deposits accounts (with original maturity upto 3 months)	41	44
Cheques, drafts on hand	56	930
Cash on hand	54	227
Balances as per statement of cash flows	3,453	7,056

Notes:

- The above Cash Flow Statement has been prepared under the "Indirect Method" setout in Indian Accounting Standard - 7 on Statement of Cash Flows.
- Previous year figures have been regrouped/ reclassified, wherever necessary to conform to current year classification.
- Other bank balances at the end of the year includes: (i) earmarked balances towards unpaid dividends Rs.26 Lakhs (Previous Year Rs.17 Lakhs) and (ii) margin money deposits Rs. 159 Lakhs (Previous Year Rs. 147 Lakhs) includes as security against license for import of goods under EPCG Scheme and hence are not available for immediate use by the Group.
- The interest paid during the year excludes Rs. 475 Lakhs (Previous year Rs. 405 Lakhs) in respect of interest costs capitalised for the property, plant and equipment and intangible assets in accordance with Ind AS 23 and interest expense on loans for real estate development activities amounting to Rs. 394 Lakhs (Previous year Rs. 507 Lakhs) .

* Amount is below rounding off norms of the Group.

Contd ...



3. The above results of Forbes & Company Limited ('the parent' or 'the Company') and its subsidiaries (together referred to as "Group") and its joint ventures and associates for the year ended 31st March, 2020 are prepared as per the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, have been reviewed by the Audit Committee and thereafter approved at the meeting of the Board of Directors held on Saturday 25th July, 2020. The results for the year ended 31st March, 2020 have been audited by the statutory auditors.
4. The above financial results of the Group, its joint ventures and associates have been prepared in accordance with Indian Accounting Standard ("Ind AS") as prescribed under Section 133 of Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India.
5. Exceptional items:

		Quarter ended			Year ended	
		31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
		(Refer Note 18)	(Unaudited)	(Refer Note 18)	(Audited)	(Audited)
(i)	Expected inflow/ (outflow) for disputed matter	-	698	-	698	(1,056)
(ii)	Gain on transfer of interest	-	-	85	-	85
(iii)	Impairment of Goodwill	(6,649)	-	-	(21,646)	-
(iv)	Provision for impairment of certain intangible assets under development	(121)	(400)	-	(521)	-
TOTAL		(6,770)	298	85	(21,469)	(971)

- (i) The Company had received Rs. 1,017 Lakhs in the year ended 31st March, 2016 from the Hon'ble Debt Recovery Tribunal, Mumbai, towards principal and interest for loan given to Coromandel Garments Limited (presently under liquidation).

The Company had made a provision of Rs. 365 Lakhs in earlier years which was reversed on receipt of Rs. 1,017 Lakhs from Coromandel Garments Limited and accounted the balance as interest income during the year ended 31st March, 2016 on the belief that it was a remote future possibility that Rs. 1,017 Lakhs would become refundable upon the final outcome of this matter.

In July 2018, in a separate proceeding the Hon'ble High Court, Mumbai had directed the Company to refund the aforesaid amount of Rs. 1,017 Lakhs with interest. Consequently, the Company refunded Rs. 1,056 Lakhs [including interest calculated from the date of the order till the date of payment aggregating Rs. 39 Lakhs] and recorded this as an exceptional expense during the year ended 31st March, 2019. The Company was subsequently directed by the Hon'ble High Court to pay interest from the date the amount was received by the Company, which was appealed by the Company. The Company had separately filed its Affidavit of Claim for receipt Rs. 325 Lakhs along with interest at the bank rate with the Official Liquidator.

During the current year, the Official Liquidator vide order dated 23rd December, 2019 adjudicated and admitted a claim of Rs. 744 Lakhs (comprising Rs. 325 Lakhs towards loan and Rs. 419 Lakhs as interest). Accordingly, the Company has recorded Rs. 698 Lakhs (i.e. Rs. 744 Lakhs recoverable based on adjudication order from the Official Liquidator, net of interest provided of Rs. 46 Lakhs) as exceptional income during the year ended 31st March, 2020.

- (ii) The real estate development operations under "Project Vicinia" was being executed at a plot of land situated at Chandivali, Mumbai as per the terms of the development agreement between the Company and Videocon Realty and Infrastructure Limited ("VRIL") forming part of the consent terms filed with the Hon'ble Bombay High Court in 2011 for the then existing dispute. Subject to compliance with the terms of the said development agreement, VRIL was entitled to 50% of the saleable area and 50% of the rights in the permissible Floor Space Index in Project Vicinia.

During the year and quarter ended 31st March, 2019, considering delays in making critical payments by VRIL, to protect the interests of all stakeholders including the Company and purchasers of individual flats, the Company terminated the aforesaid development agreement. Consequently, the matter was referred to arbitration and vide the arbitration award dated 25th February, 2019 the Company was directed to pay an amount of Rs. 15,300 Lakhs to VRIL for restitution and that on payment of aforesaid amount, VRIL would have no interest, rights, title or any claim in respect of Project Vicinia.

Additionally, the Company entered into a Business Transfer Agreement ("BTA") with Paikar Real Estates Private Limited (hereinafter known as "PREPL"), (a fellow subsidiary) dated 27th February, 2019 to transfer 50% interest in the aforesaid real estate development project (which the Company got through restitution), by way of slump sale on an as-is-where-is basis as a going concern for an aggregate consideration of Rs. 15,500 Lakhs. The board of directors and shareholders' approved this transaction with PREPL on 27th February, 2019 and 29th March, 2019 respectively. As per the terms of BTA, the Company did not have ability to control or rights to variable returns over VRIL's interest in the Project Vicinia which the Company got pursuant to the arbitration award.



Subsequently, on receipt of the consideration from PREPL, the Company made payment of Rs. 15,300 Lakhs to VRIL on 2nd March, 2019 as per terms stated in the arbitration award and consequently, VRIL's interest in the development agreement was transferred to PREPL.

The Company and PREPL are each independently entitled to 50% of the saleable area, 50% of the rights in the permissible Floor Space Index and for their own individual development and consequent sale of their respective individual flats for the specified land being developed.

Pursuant to the aforesaid transaction, the Company incurred legal and administrative costs aggregating Rs. 115 Lakhs which have been netted off against the gain on the aforesaid transfer. The net gain on this transaction, aggregating Rs. 85 Lakhs has been reflected as an exceptional item during the quarter and year ended 31st March, 2019.

- (iii) In Eureka Forbes Limited ('EFL'), (a subsidiary), during the year ended 31st March, 2020 business projections could not be achieved due to various factors for one of the subsidiary group in Europe "Lux Group" as envisaged previously. Based on an assessment carried out by EFL management of the revised future projections (including impact of Covid-19 pandemic), current economic conditions and trends, estimated future operating results and growth rates, an amount of Rs. 21,646 Lakhs (quarter ended 31st March, 2020 - Rs. 6,649 Lakhs) has been impaired in the financial results as impairment loss on goodwill on consolidation and disclosed as an exceptional item.
- (iv) In Forbes Technosys Limited ('FTL'), (a subsidiary), based on FTL management's assessment about the current stage of development, expected time and cost required to complete and expected revenues from the projects, it has concluded that two projects, having a carrying amount of Rs. 400 lakhs and Rs. 121 Lakhs, respectively, are impaired during the year ended 31st March, 2020 (quarter ended 31st March, 2020 – Rs. 121 Lakhs and quarter ended 31st December, 2019 – Rs. 400 Lakhs). Impairment loss on the above projects aggregating Rs. 521 Lakhs has been disclosed as an exceptional item in these financial results.
6. FTL has incurred a net loss of Rs. 6,015 Lakhs during the current year and it's current liabilities exceeded its current assets by Rs. 13,306 Lakhs as at 31st March, 2020. FTL has accumulated losses of Rs. 14,264 Lakhs and its net worth has been fully eroded as at 31st March, 2020. These conditions indicate the existence of material uncertainty that may cast a significant doubt about the its ability to continue as a going concern. However, during the current year, Forbes & Company Limited, has infused additional capital of Rs. 1,000 Lakhs and the Ultimate Holding Company, namely Shapoorji Pallonji and Company Private Limited, has provided loan aggregating Rs. 3,850 Lakhs in addition to existing loans to support FTL's cash flow and to meet its liabilities. FTL is confident of refinancing/ repayment of all borrowings obligations, as and when due, from business operations and/ or financial support from the Holding and Ultimate Holding Company.

FTL has suffered setback in recent past years which is temporary in nature due to muted demand and stress in some of the key sectors that it has been traditionally dependent on, such as banking and telecom. The entry of several local players in the e-payments space and heightened competition has put pressure on margins of FTL. Additionally, the Covid-19 pandemic has severely disrupted business operations around the world due to global lockdown and other emergency measures imposed by various governments. The operations of FTL were also impacted due to Covid-19 as its manufacturing units and offices had to be completely shut-down following nationwide lockdown. Also, supply chain for critical electronic components required for sales and services were affected since January 2020, which eventually affected dispatches during the quarter ended 31st March, 2020 significantly.

The FTL Management has carried out a detailed evaluation in respect of the future business prospects of FTL coupled with innovative, niche and high impact software solutions designed which leverage upon the cutting edge technology and strong domain knowledge across industry verticals that FTL possesses. The new initiatives, product rationalization buoyed by consistent increasing demand observed in sectors other than BFSI, make FTL well poised to reap in benefits in the long run, despite some challenges including Covid-19 when looked at from a short-term perspective.

The adversity in present market situation is prolonged due to impact of Covid-19 pandemic and overall slowdown in business environment globally. There are positive trends visible for FTL in the near future (considering orders secured including those in pipeline, cost rationalization, product portfolio diversification strategies etc.) which are expected to continue in the foreseeable future that would aid business recoupment. Therefore, the Holding and Ultimate Holding Company are rendering the necessary support as required to enable FTL to revive itself. Accordingly, considering the aforesaid and FTL management's assessment on the overall situation at FTL, expected operational improvements planned and ongoing financial support, the financial statements of FTL have been prepared on a going concern basis.

7. Standalone Information:

Particulars	Quarter ended			Year ended	
	31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
Revenue from operations	4,383	5,056	5,795	19,488	22,711
Profit before tax	(2,092)	115	427	(2,578)	1,039
Profit after tax	(1,845)	(9)	512	(2,455)	1,027

Investors can view the standalone results of the Company on the Company's website (www.forbes.co.in) or BSE website (www.bseindia.com).

Contd...



8. During the year, in FTL, irregularities in certain business transactions were detected by FTL management for which they appointed an independent agency to conduct a review of its business transactions. The said agency identified fraudulent transactions over the past few years, aggregating Rs. 569 Lakhs involving the erstwhile Chief Financial Officer, other employees and certain third-party vendors. FTL initiated proceedings against these employees including filing of an FIR. Pending the recovery procedures, the financial statements have been adjusted to give effect to the above embezzlement.

FTL's board of directors had appointed a new CFO subsequent to termination of the services of the erstwhile CFO. Further, the Board also appointed new internal auditors with enhanced scope and increase in frequency of reporting. FTL management commenced by focusing on gaps in entity level controls, identifying mitigating compensating controls for system gaps, revisiting the Chart of Authority, reviewing all the identified gaps in business processes, instituting new / compensating controls and maker checker controls more specifically in areas like procurement to pay, journal entries, cost of goods sold ledger, inventory recording, etc. and ensured design of controls was in place and gaps were remediated. FTL Management assisted by the internal auditors subsequently tested all controls for adequacy and operating effectiveness as on 31st March, 2020. The exposure of this irregularity is restricted to FTL books only as the role of the aforesaid employees was restricted to FTL and they had no involvement in any of the other entities within the Group.

9. Certain subsidiaries in the Group have chosen to exercise the option of the lower tax rate of 25.17% (inclusive of surcharge and cess) under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation laws (Amendment) Ordinance 2019. The full impact of this change has been recognized in tax expenses for the year ended 31st March, 2020. The impact on the Group's results for the year ended 31st March, 2020 is not significant.

10. Forbes Lux International (FLIAG)

In EFL group, certain down-stream entities located abroad, Forbes Lux International Ltd (FLIAG) and its direct and indirect subsidiaries (Lux Group) faced financial difficulties during the financial year ended 31st December, 2019. FLIAG's and Lux Group's ability to continue as a going concern depends on the continuing financial support of its ultimate parent company, EFL located in India and the future performance of its direct and indirect subsidiaries (Lux Group). The Board of Directors of Lux International AG are taking necessary steps to revive and stabilize the business of Lux Group. Further, EFL issued a financial support letter dated 20th February, 2020, that they undertake financial support to the extent needed to keep FLIAG and Lux Group adequately capitalized. In the event of continuing loss and financial needs, EFL will provide necessary liquid funds support or equity to continue its operations. This undertaking is valid until 31st March, 2021.

Despite this, a material uncertainty exists that may cast significant doubt about the ability of FLIAG to continue as a going concern. If FLIAG is not able to continue as a going concern, assets may have to be written down, provisions set up, and fixed assets and non-current liabilities reclassified as current. The impact of these adjustments could be material and the necessary legal provisions would have to be followed by the Board of Directors.

Lux International Limited (Lux Group)

Lux International Ltd. and its direct and indirect subsidiaries (Lux Group) faced financial difficulties during last years. The Board of Directors of Lux International AG are taking necessary steps to revive and further stabilize the business of Lux Group. Nevertheless, Lux group's ability to continue as a going concern still depends on the continuing financial support of its ultimate parent company, Eureka Forbes Limited located in India (EFL) and the future performance of the group. Consequently, EFL, issued a new "Financial Support Letter" with validity until 31st March, 2021. EFL has proved in the past its unconditional support of Lux Group in terms of capital, financial and cash support and it will continue doing so. The letter explicitly covers the commitment of EFL to honour the repayment liabilities both to Axis Bank and ICICI Bank.

Despite this, a material uncertainty exists that may cast significant doubt about the ability of Lux Group to continue as a going concern. If Lux Group is not able to continue as a going concern, assets may have to be written down, provisions set up, and fixed assets and non-current liabilities reclassified as current. The impact of these adjustments could be material and the necessary legal provisions would have to be followed by the Board of Directors.

11. Eureka Forbes Limited and Lux group, comprises a substantial portion of the EFL group. The Board of Directors of Lux Group are taking necessary steps to revive and stabilize the business of Lux Group. Further, the financial statements of EFL discloses that its Board of Directors have assessed and concluded that no material uncertainty exists that may cast significant doubt on EFL's ability to continue on a going concern basis. EFL group has incurred a net loss of Rs. 25,070 Lakhs during the year ended 31st March, 2020 because of losses in Lux group and also impairment of goodwill on consolidation in Lux Group amounting to Rs. 21,646 Lakhs. As on 31st March, 2020, EFL group's current liabilities exceeded its current assets by Rs. 38,879 Lakhs which includes Rs. 32,552 Lakhs as advance for service contracts against which service obligation is outstanding but no material cash outflow is expected since amounts will be replenished by renewals of existing and new service contracts. After adjusting such advances for service contracts, the net current liabilities effectively would be Rs. 6,327 Lakhs. Further, EFL Group has accumulated losses of Rs. 28,366 Lakhs as on 31st March, 2020 (Previous year Rs. 3,234 Lakhs) and other equity of Rs. (-) 5,687 Lakhs (Previous year Rs. 21,050 Lakhs). Further, EFL has provided financial support to its subsidiaries, 'Lux Group' to repay instalments of loans for certain borrowings of Lux group for which the amount due within the next 12 months is Rs. 5,022 Lakhs and also to keep them adequately capitalized. The net-worth of EFL has been fully eroded mainly due to provision for impairment of investments in and loans to subsidiaries over the periods including for Lux Group, however, performance of EFL is good and stable. Nevertheless, the financial statements for the year ended 31st March, 2020 have been prepared on a going concern basis in view of the fact that EFL group has already initiated process of taking measures such as cost reduction, revision in business strategy and reduction in cash outflow which will ultimately strengthen its financial position and also EFL Group expects increase in demand for its products as the health consciousness amongst people should increase consequent to Covid-19 pandemic.



Contd...

For the quarter ended 30th June, 2020, EFL has made gross sales of Rs. 23,974 Lakhs including direct cash sales and cash collected from renewal/new sale of service and spares of Rs. 12,696 Lakhs. EFL has undrawn fund based facilities from banks amounting to Rs 6,760 Lakhs as at 31st March, 2020 and have further lined up additional channel financing facility amounting to Rs 3,000 Lakhs. Further, Forbes & Company Limited will provide financial support to EFL for continuing its operation in the foreseeable future and to meet its financial obligations in case it needs, subject to the approval of the Board of Directors.

12. a. During the current year,

- i. Lux Welity Polska SP z oo, a subsidiary of EFL's subsidiary, incorporated with effect from 29th July, 2019.

b. During the previous year,

- i. Aquadiagnostics Water Research & Technology Centre Limited, a subsidiary of EFL's subsidiary, ceased to be subsidiary of EFL w.e.f. 25th June, 2018.
 ii. Forbes G4S Solutions Private Limited, a joint venture of EFL, ceased to be a joint venture of EFL w.e.f. 10th May, 2018.
 iii. Forbes International AG, a subsidiary of EFL's subsidiary Lux International AG, merged with Lux International AG w.e.f. 23rd March, 2018.
 iv. Lux Aqua Czech s.r.o., a subsidiary of EFL's subsidiary Lux International AG ceased to be a subsidiary of EFL w.e.f. 30th April, 2018 on account of sale to third party
 v. Lux Aqua Hungary KFT a subsidiary of EFL's subsidiary Lux International AG ceased to be a subsidiary of EFL w.e.f. 30th April, 2018 on account of sale to third party
 vi. Lux International Services Kft Hungary, a subsidiary of EFL's subsidiary Lux International AG - ceased to be subsidiary of EFL during the year.
 vii. Lux Professional International GmbH, a subsidiary of EFL's subsidiary Lux International AG, ceased to be subsidiary of EFL w.e.f. 23rd March 2018 (merged with Lux International AG)
 viii. Aquaignis Technologies Private Limited, a joint venture of EFL, became a wholly owned subsidiary of EFL w.e.f. 13th June, 2018.

13. Details of Redeemable Non-Convertible Debentures are as follows :-

a. Issued by Forbes & Company Limited (Parent):

S.No.	Particulars	Previous Due Date		Next Due Date	
		Principal	Interest	Principal	Interest
1	980FCL20 (Face Value Rs. 6,000 Lakhs)	Refer Note (a) below	Refer Note (a) below	Refer Note (a) below	Refer Note (a) below
2	910FORBES19 (Face Value Rs. 4,000 Lakhs)	Refer Note (b) below	Refer Note (b) below	Refer Note (b) below	Refer Note (b) below

All the interests due and redemption of principal were paid on due dates.

Notes:

- (a) The holders of Redeemable Non-Convertible Debentures have exercised the put option for redemption of the entire principal amount of the Redeemable Non-Convertible Debentures of the Company aggregating Rs. 6,000 Lakhs due on 10th September, 2018 which has been paid on due date during the quarter ended 30th September, 2018.
 (b) The Redeemable Non-Convertible Debentures of the Company aggregating Rs. 4,000 Lakhs due on 22nd July, 2019 have been paid on the due date during the year.

b. Issued by Forbes Technosys Limited (a Subsidiary):

S.No.	Particulars	Previous Due Date		Next Due Date	
		Principal	Interest	Principal	Interest
1	INE465R08032 (Face Value Rs. 2,500 Lakhs)	20 th March, 2020	20 th March, 2020	-	-
2	INE465R08040 (Face Value Rs. 3,500 Lakhs)	-	18 th January, 2019	18 th October, 2020	18 th April, 2020

All the interests due were paid on due dates. Non-Convertible Debentures of Rs. 2,500 Lakhs were redeemed on 20th March, 2020 as per their due date.

Debenture Redemption Reserve has not been created for the aforesaid debentures as there are negative retained earnings in the subsidiary.

The Subsidiary has a credit rating of "[ICRA] BBB+ (CE)(negative) (previously: [ICRA] A (CE)(negative))".

Contd...



14. Ind AS 115 'Revenue from Contracts with Customers', a new accounting standard notified by the Ministry of Corporate Affairs (MCA) on 28th March, 2018 was effective from accounting period beginning on or after 1st April, 2018 and replaced the existing revenue recognition standards. The application of Ind AS 115 has a significant bearing on the Company's accounting for recognition of revenue from real estate development projects as explained below.

The Group had applied the modified retrospective approach as on 1st April 2018 and recorded a transitional impact in retained earnings towards the reversal of profits aggregating Rs. 5,083 Lakhs (net of tax) on real estate projects under development (i.e. flats under construction) for contracts not completed as on 1st April, 2018.

Had the Group continued application of earlier standards for revenue recognition for its real estate projects instead of Ind AS 115, the following line items would have been higher by amounts as disclosed below:

Financial Statement Line Item	Quarter ended			Year ended	
	31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
Revenue	4,694	3,211	4,535	13,546	8,880
Changes in inventories of finished goods, work-in-progress and stock-in-trade	3,179	1,856	2,661	8,172	5,196
Profit before tax	1,515	1,355	1,874	5,373	3,684

(Rs. in Lakhs)

Additionally, as at 31st March, 2020, real estate work-in-progress included in inventory is higher by Rs. 24,531 Lakhs (Previous year Rs. 16,359 Lakhs) and advances from customers included in other current liabilities is higher by Rs. 37,949 Lakhs (Previous year Rs. 24,266 Lakhs) and unbilled revenue included in other financial assets is lower by Rs. 3,413 Lakhs (Previous year Rs. 3,558 Lakhs).

Further, certain indirect costs (e.g. Selling expenses, commission & brokerage, Advertisement and sales promotion, depreciation and other administrative expenses) pertaining to real estate development project for the year ended 31st March, 2020 aggregating Rs. 1,170 Lakhs (quarter ended 31st March, 2020 of Rs. 727 Lakhs; quarter ended 31st December, 2019 of Rs. 130 Lakhs; year ended 31st March, 2019 of Rs. 1,201 Lakhs; and quarter ended 31st March, 2019 of Rs. 480 Lakhs) are being recognized as an expense in the Statement of Profit and Loss as and when incurred.

15. On 30th March, 2019, the Ministry of Corporate Affairs ("MCA") through the Companies (Indian Accounting Standards) Amendment Rules, 2019 ("Rules") has notified Ind AS 116 which replaces the existing lease standard, Ind AS 17. The provisions of the Rules come into force on 1st April, 2019.

The Group has taken the choice to adopt Ind AS 116 retrospectively by giving the cumulative impact of transition at the date of initial application of the standard i.e. 1st April, 2019. Accordingly, on the initial date of application, the Group has recognized the right of use of assets at an amount equal to the lease liability, adjusted by the amount of any prepaid rent relating to leases recognised in the Balance Sheet immediately prior to 1st April, 2019. The adoption of this standard did not have any material impact on the loss for the period as compared to previous period.

Right-of-use assets and correspondingly lease liabilities of Rs. 4,572 Lakhs (including prepaid leasehold land of Rs. 64 Lakhs) and correspondingly lease liabilities of Rs. 4,508 Lakhs had been recognised for the leased premises on 1st April, 2019.

Had the Group continued application of earlier standards instead of Ind AS 116, rent expense (included in Other Expenses) would be higher by Rs. 2,041 Lakhs for the year ended 31st March, 2020 (Rs. 679 Lakhs for the quarter ended 31st March, 2020 and Rs. 440 Lakhs for the quarter ended 31st December, 2019), Finance Costs would be lower by Rs. 357 Lakhs for the year ended 31st March, 2020 (Rs. 87 Lakhs for the quarter ended 31st March, 2020 and Rs. 87 Lakhs for the quarter ended 31st December, 2019) and depreciation expense would be lower by Rs. 1,862 Lakhs for the year ended 31st March, 2020 (Rs. 596 Lakhs for the quarter ended 31st March, 2020 and Rs. 432 Lakhs for the quarter ended 31st December, 2019).

16. In Shapoorji Pallonji Forbes Shipping Limited, (a subsidiary), current liabilities exceed the current assets by Rs.14,399 Lakhs as on 31st March, 2020. The management is evaluating various refinancing options available to the subsidiary including fund from ultimate holding company / group companies and are confident of settling all liabilities as and when they fall due.
17. The Covid-19 pandemic has severely disrupted business operations due to global lockdown and other emergency measures imposed by the various governments. The operations of the Group, its joint ventures and associates were impacted due to the shutdown of plants, real estate development project and offices following the nationwide lockdown imposed by governments of respective countries where the Group operates. The Group resumed its operations in a phased manner in line with directives from the relevant authorities.

The Group has evaluated the impact of this pandemic on its business operations, liquidity and based on current estimates, expects demand to pick up in the long term and attain pre-Covid-19 levels of performance considering which the carrying values of the Group's assets including property, plant and equipment, intangible including goodwill, trade receivables, inventory and investments as at the Balance Sheet date will be recovered. Further, considering the management's review of the current indicators and economic conditions there are no additional adjustments on its financial statements for the year ended 31st March, 2020. The Group has adequate unutilized fund-based credit facilities available, to take care of any urgent requirement of funds.



Contd...

The Group throughout the lockdown period and even subsequently has been able to maintain adequate control of its assets and there are no significant changes to its control environment during the period.

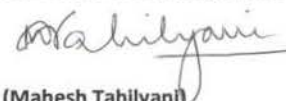
In the case of Forbes & Company Limited's inventory, the management performed 'wall to wall' verification for all its locations and again at date subsequent to the year end in the presence of an external firm of Chartered Accountants to obtain comfort over the existence and condition of inventories as at 31st March, 2020 including appropriate roll backward procedures.

However, the impact assessment of Covid-19 is a continuing process given the uncertainties associated with its nature and duration and accordingly, the impact may be different from that estimated as at the date of approval of these financial results. The Company will continue to monitor any material changes to future economic conditions.

18. The figures of the quarter ended 31st March, 2020 are balancing figures between the audited figures in respect of the full financial year ended 31st March, 2020 as reported in these financial results and the unaudited published year to date figures up to third quarter ended 31st December, 2019, which were subjected to Limited Review by the Statutory Auditors. The figures of the quarter ended 31st March, 2019 are balancing figures between the audited figures in respect of the full financial year ended 31st March, 2019 as reported in these financial results and the unaudited year to date figures up to third quarter ended 31st December, 2018 (which were not subjected to Limited Review by the Statutory Auditors).
19. Figures for the previous periods are re-classified / re-arranged / regrouped, wherever necessary, to correspond with the current period's classification.

Mumbai,
25th July, 2020

For Forbes & Company Limited



(Mahesh Tahilyani)
Managing Director
DIN: 01423084



Price Waterhouse Chartered Accountants LLP

Independent Auditors' Report

To the Members of Forbes & Company Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Forbes & Company Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associates and joint ventures (refer Note 2.2 to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at March 31, 2020 and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Cash Flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the consolidated financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint ventures as at March 31, 2020, of consolidated total comprehensive income (comprising of loss and other comprehensive loss), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its associates and joint ventures in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 23 of the Other Matters paragraph below is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

4. The following paragraph in respect of "material uncertainty related to going concern" was included in the audit report dated July 20, 2020 issued on the financial statements of Forbes Technosys Limited, a subsidiary of the Holding Company issued by an independent firm of Chartered Accountants reproduced as under:

Price Waterhouse Chartered Accountants LLP, 252, Veer Savarkar Marg, Shivaji Park, Dadar (West)
Mumbai - 400 028
T: +91 (22) 66691500, F: +91 (22) 66547804 / 07

Registered office and Head Office: Sucheta Bhawan, 11A Vishnu Digambar Marg, New Delhi - 110002

Price Waterhouse (a Partnership Firm) Converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership Firm) LLP identity no: LLPINAAC-5001 with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, Mumbai ICAI registration number is 012754N/N500016 (ICAI registration number before conversion was 012754N)



Price Waterhouse Chartered Accountants LLP

Independent Auditors' Report

To the Members of Forbes & Company Limited

Report on the audit of the Consolidated Financial Results

Page 2 of 17

"We draw attention to Note 34 of the financial statements which indicates that the Company has incurred a net loss of Rs. 6,014.92 lakhs during the current year and the Company's current liabilities exceeded its current assets by Rs. 13,306.25 lakhs as at March 31, 2020. The Company has accumulated losses of Rs. 14,263.82 lakhs and its net worth has been fully eroded as at March 31, 2020. These conditions indicate the existence of material uncertainty that may cast a significant doubt about the Company's ability to continue as a going concern. However, the financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said Note.

Our opinion is not modified in respect of this matter."

Note 34 as described above corresponds to Note 68 to the Consolidated Financial Statements for the year ended March 31, 2020.

5. The following paragraph in respect of "material uncertainty related to going concern" was included in the audit report dated July 13, 2020, issued on the consolidated financial statements of Eureka Forbes Limited, a subsidiary of the Holding Company issued by an independent firm of Chartered Accountants reproduced as under:

"Material uncertainty related to Going Concern in respect of subsidiaries

The auditor's report on the standalone financial statements of Forbes Lux International AG ("FLIAG") and consolidated financial statements of Lux International Limited ('Lux International group'), subsidiary group of the Parent, contains an emphasis of matter paragraph by the component auditor, stating as under, which in the context of Generally Accepted Auditing Standards in India relates to a material uncertainty related to Going Concern:

We draw attention to Note 33-t in the financial statements describing the liquidity difficulties of FLIAG and Lux group during the financial year ended December 31, 2019. This fact together with the other matters described in note 33-t indicate the existence of a material uncertainty that may cast significant doubt about FLIAG and Lux group's ability to continue as a going concern.

Our opinion is not modified in respect of this matter."

Note 33-t as described above corresponds to Note 70 to the Consolidated Financial Statements for the year ended March 31, 2020.

Emphasis of Matter

6. We draw your attention to Note 52 to the standalone financial statements of the Holding Company which describes the management's assessment of the impact of the outbreak of Coronavirus (Covid-19) on its business operations. The Holding Company believes that no additional adjustments are required in the financial statements, however, in view of various preventive measures taken (such as complete lock-down including travel restrictions) and highly uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve. Further, our attendance at the physical verification of inventory carried out by the management was impracticable under the current lockdown restrictions imposed by the government and we have therefore relied on the related alternative audit procedure to obtain comfort over the existence and condition of inventory at the year-end. Our opinion is not modified in respect of this matter.



Price Waterhouse Chartered Accountants LLP

Independent Auditors' Report

To the Members of Forbes & Company Limited

Report on the audit of the Consolidated Financial Results

Page 3 of 17

7. The following emphasis of matter was included in the audit report dated June 30, 2020 issued on the financial statements of Forbes Bumi Armada Limited, a joint venture of the Holding Company reproduced as under:

“We draw your attention to Note 34 to the financial statements, which describes the management's assessment of the impact of the outbreak of Coronavirus (Covid-19) on the business operations of the Company. The management believes that no adjustments are required in the financial statements as it does not impact the current financial year, however, in view of the various preventive measures taken (such as complete lock-down, travel restrictions etc.) and highly uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve.

Our opinion is not modified in respect of this matter.”

Note 34 as described above corresponds to Note 77 to the Consolidated Financial Statements for the year ended March 31, 2020.

8. The following emphasis of matter included in the audit report dated July 13, 2020, issued on the consolidated financial statements of Eureka Forbes Limited, a subsidiary of the Holding Company issued by an independent firm of Chartered Accountants reproduced as under:

“We draw attention to note 33-s in the consolidated financial statements, which describes the uncertainties and the impact of COVID-19 pandemic on the Group's operations and results and the internal and external information the Group's Management has considered upto the date of this report, in respect of the current and estimated future economic indicators, both global and Indian, to make an assessment of the recoverability of certain assets of the Group, consequent to the global health pandemic. The actual impact of the pandemic may be different from that considered in assessing the recoverability of these assets. Attention is also invited to note 33-u which describes the basis of the assessment made by the Management of the Parent Company that no material uncertainty exists that may cast significant doubt on the Parent Company's ability to continue as a going concern, despite accumulated losses, erosion of net worth and net current liability position at the reporting date and that the going concern assumption is appropriate in the preparation of these financial statements.

Our opinion is not modified in respect of these matters.”

Note 33-s and 33-u as described above correspond to Note 78 and 71 respectively, to the Consolidated Financial Statements for the year ended March 31, 2020.

Key Audit Matters

9. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Price Waterhouse Chartered Accountants LLP

Independent Auditors' Report

To the Members of Forbes & Company Limited

Report on the audit of the Consolidated Financial Results

Page 4 of 17

Key audit matter

(a) Impairment risk of investment in and receivables from a wholly owned subsidiary and (b) Financial exposure relating to guarantee given to the same subsidiary

(Refer Notes 8, 9, 10, 11, 32B, 39, 40 and 53 to the standalone financial statements)

The Holding Company has investment aggregating Rs. 7,650.01 Lakhs (net of impairment) in Forbes Technosys Limited (FTL), a wholly owned subsidiary and also has financial exposure by way of outstanding receivables (including inter-corporate deposits outstanding) aggregating Rs. 472.25 Lakhs and financial guarantees given to FTL aggregating Rs. 12,962.00 Lakhs as on March 31, 2020.

During the year ended March 31, 2020, FTL has earned total comprehensive loss aggregating Rs. 6,014.92 Lakhs and FTL's current liabilities exceeded its current assets by Rs. 13,306.25 Lakhs. This is an indicator of potential impairment of the investments, outstanding receivables and financial exposure relating to financial guarantees given.

The Holding Company has recognised an impairment charge of Rs. 1,216.29 Lakhs for the year ended March 31, 2020 towards decline in the recoverable value of investments in FTL considering the recoverable value determined by management as described below, after considering the present market situation including the impact of Covid-19 on FTL's future business prospects.

The management has estimated that the balance recoverable value of FTL is sufficient to cover the cumulative carrying value of total exposure in FTL's remaining investments, outstanding receivables (including inter-corporate deposits outstanding) and liability, if any, towards financial guarantees, basis valuation performed by the management considering inputs from

How our audit addressed the key audit matter

Our procedures in relation to management's assessment of impairment risk and financial exposures included the following:

- Evaluating and validating the design and operating effectiveness of the controls over determination of recoverable value of investments and receivables (including valuation model, assumptions and judgements);
- Assessing the accuracy and reasonableness of the input data provided by the Management by way of agreeing with approved budgets;
- Analysis of past trends by comparing the historical results vis-à-vis corresponding budgets;
- Evaluating management expert's independence, competence, capabilities and objectivity;
- Assessing along with the auditors' experts the reasonableness of the Holding Company's process regarding impairment assessment and assumptions used in the impairment model;
- Developing independent expectations regarding the impairment testing based on our understanding of the business, external industry trends and the subsidiary's historic business activity and evaluating the Holding Company's impairment testing results against our expectations;
- Performing sensitivity analysis and evaluating whether any reasonably foreseeable change in assumptions could lead to any additional impairment;
- Testing the mathematical accuracy of the underlying calculations; and
- Assessing the adequacy of disclosures in the financial statements.

Based on the above procedures performed, the management's assessment in respect of impairment risk of investment in and receivables (including inter-corporate deposits outstanding) from a wholly owned subsidiary,



Price Waterhouse Chartered Accountants LLP

Independent Auditors' Report

To the Members of Forbes & Company Limited

Report on the audit of the Consolidated Financial Results

Page 6 of 17

Key audit matter	How our audit addressed the key audit matter
<p>(c) Assessment of Provisions and Contingent Liabilities (Refer to Notes 22A and 41 to the consolidated financial statements)</p> <p>As at March 31, 2020, in respect of certain direct and indirect tax matters and other litigations, the Holding Company has recognised provisions aggregating Rs. 311.50 Lakhs and disclosed contingent liabilities aggregating Rs. 15,042.44 Lakhs.</p> <p>The Holding Company undergoes assessment proceedings and related litigations with direct and indirect tax authorities and with certain other parties. There is a high level of management judgement required in estimating the probable outflow of economic resources and the level of provisioning and/or the disclosures required. The judgement of the management is supported by advice from independent tax and legal consultants, as considered necessary by the management. Any unexpected adverse outcomes could significantly impact the Holding Company's reported profit and financial position.</p> <p>We considered the above area as the key audit matter due to associated uncertainty of the ultimate outcome and significant management judgement involved.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none">• Understanding and evaluating the process and controls designed and implemented by the management including testing the operating effectiveness of the relevant controls;• Obtaining the details of the related matters, inspecting the supporting evidences and assessing management's evaluation through discussions with management on both the likelihood of outcome and the magnitude of potential outflow of economic resources;• Understanding the current status of the direct and indirect tax assessments/ litigations;• Reading recent orders and/ or communication received from the tax authorities and with certain other parties and management responses to such communication;• Where relevant, reading the most recent available independent tax / legal advice obtained by management and evaluating the grounds presented therein;• Evaluating independence, objectivity and competence of the management's tax / legal consultants;• Obtaining direct written confirmations from the Company's legal/ tax consultants (internal/ external) to confirm the status of the assessments as well as had direct discussion with them as and when required.• Together with the auditor's tax experts, assessed the likelihood of the potential financial exposures.• Assessing the adequacy of disclosure in the consolidated financial statements. <p>Based on the above procedures we did not identify any material exceptions relating to management's assessment of provisions and contingent liabilities.</p>



Price Waterhouse Chartered Accountants LLP

Independent Auditors' Report

To the Members of Forbes & Company Limited

Report on the audit of the Consolidated Financial Results

Page 7 of 17

10. The following Key Audit Matters were included in the audit report dated July 20, 2020 issued on the financial statements of Forbes Technosys Limited, a subsidiary of the Holding Company issued by an independent firm of Chartered Accountants reproduced as under:

“a) Capitalisation of internally developed intangible assets (including assets under development) and their impairment testing

Description of the Key Audit Matter:

As on March 31, 2020, the carrying amounts of internally developed intangible assets recognised and intangible assets under development were Rs. 8,028.04 lakhs and Rs. 2,765.79 lakhs respectively, which together represent 55.06% of the total assets of the Company.

Recognition and impairment testing of intangible assets requires the Company to assess the probability of expected future economic benefits using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

The Company uses judgement to assess the degree of certainty attached to the flow of future economic benefits that are attributable to the use of the asset on the basis of the evidence available at the time of initial recognition, giving greater weight to external evidence.

Refer Note 2.7, Note 2.8, Note 4 of the financial statements for accounting policies and carrying amounts of the said assets and impairment testing.

Our Response:

- We evaluated the appropriateness of management's identification of the intangible asset and that the recognition process meets the requirements of Ind AS 38 'Intangible Assets'.
- We held discussions with Company's technical team overseeing the development process to understand the feasibility of the assets under development and other resources currently available as well as resources required to complete the assets.
- We reviewed the process of identifying, measurement and allocation of costs that were directly attributable to the assets under development.
- We used a combination of test of controls and substantive procedures on a test check basis based on selected samples of costs being incurred and capitalised under assets under development.
- We reviewed the impairment testing carried out by the Company while verifying the carrying amount of the intangible assets under development.

b) Allowance for expected credit loss on trade receivables

Description of the Key Audit Matter:

As on March 31, 2020, the carrying amount of trade receivable was Rs. 4,218.16 lakhs (net of provision for expected credit loss of Rs. 1,295.41 lakhs) which represent 21.52% of the total assets of the Company.

The Company exercises significant judgment in calculating the expected credit losses on trade receivables. The Company determines the allowance for credit losses as per provision matrix based on historical loss experience adjusted to reflect current and



Price Waterhouse Chartered Accountants LLP

Independent Auditors' Report

To the Members of Forbes & Company Limited

Report on the audit of the Consolidated Financial Results

Page 8 of 17

estimated future economic conditions. The Company considers current and anticipated future economic conditions relating to industries the Company deals with. In calculating expected credit loss, the Company has also considered relevant credit information of its customers (to the extent the Company has access to such information) to estimate the probability of default in future and age-wise analysis of outstanding amounts.

In calculating expected credit loss, the Company has taken into account estimates of possible effect from the pandemic relating to COVID -19.

Refer Note 8 of the financial statements for information on trade receivables and provision for expected credit losses.

Our response:

- We tested the effectiveness of controls over the development of the provision matrix for the allowance for credit losses, including consideration of the current and estimated future economic conditions.
- We verified the completeness and accuracy of information used while calculating the provision for expected credit loss and ageing of the receivables.
- We analysed the profile of the customers and credit information, to the extent available in respect of certain customers on a sample basis.
- We analysed the reasonability of the provision matrix and tested the mathematical accuracy and computation of the allowances by using the same input data used by the Company.

c) Inventory existence and valuation

Description of the Key Audit Matter:

As on March 31, 2020, the Company held inventories of Rs. 2,587.06 lakhs. The inventories are carried at lower of cost and net realisable value.

The Company maintains inventory under a perpetual inventory system though its accounting software. Inventories are physically verified by the management once a year at all locations except for spares/parts lying with service technicians and service partners which are not material and are subject to monthly reconciliations and confirmations.

During the year, the Management was unable to conduct physical inventory counting as at year-end as inventories were held in locations which were closed due to Government imposed lockdown for COVID-19 (also refer Note 34 to the financial statements). However the management has conducted physical verification of inventory post year-end with roll-back procedures to the reporting date.

We also draw attention to Note 35 to the financial statements which states that during the year, irregularities in certain business transactions were detected by the Company for which the Company appointed an independent agency to conduct review of the Company's business transactions. The said agency identified fraudulent transactions, over past few years, amounting to approximately Rs. 569 lakhs involving the erstwhile Chief Financial Officer, other employees and certain third party vendors. These fraudulent transactions were primarily related to accounting of purchase of materials without physical receipts of underlying material,



Price Waterhouse Chartered Accountants LLP

Independent Auditors' Report

To the Members of Forbes & Company Limited

Report on the audit of the Consolidated Financial Results

Page 9 of 17

Considering the irregularities identified as above and difficulties faced by the management in conducting physical verification of inventories, we identified inventory existence and valuation as a key audit matter for the year.

Refer Note 2.4 and Note 7 of the financial statement for accounting policies on inventory valuation and details of carrying amount of inventories, respectively.

Our response:

- We observed the process of physical verification of inventory by the management at selected locations and performed our own sample test counts.
- We validated that the physical verification process has been carried out at all locations and variances have been appropriately accounted for and are confirmed by the management.
- We reviewed the inventory ageing and held discussion with the management to understand and evaluate the assumptions applied in estimating provisions held for slow moving inventories.
- We tested, on a sample basis, the automated controls in the accounting software of the Company for accounting the receipts and issue of inventories.
- We confirmed that the inventories, held at year-end, are valued at lower of cost and net realisable value by testing a sample number of inventory items to the most recent evidence of selling price.”

Notes 2.7, 2.8 and 4 as described above are included in Notes 2.10, 2.11, 2.12 and 9 to the Consolidated Financial Statements for the year ended March 31, 2020.

Note 8 as described above is included in Note 11 to the Consolidated Financial Statements for the year ended March 31, 2020.

Notes 34, 35, 2.4 and 7 as described above are included in Notes 68, 76, 2.17 and 14 to the Consolidated Financial Statements for the year ended March 31, 2020.

11. Audit opinion dated July 13, 2020 on the consolidated financial statements of Eureka Forbes Limited, a subsidiary of the Holding Company was issued by an independent firm of Chartered Accountants and the following key audit matters and related audit procedures communicated to us on July 15, 2020 by the auditors of Eureka Forbes Limited, are reproduced as under:

“

Key audit matter	How the scope of our audit responded to the Key Audit Matter
<p>Carrying value of Lux goodwill Refer to Note 4 'Goodwill on Consolidation'.</p> <p>Included in the Group's Consolidated Balance Sheet as at 31 March 2020 is goodwill relating to the Lux business of INR 28,110.96 Lacs.</p> <p>Management has assessed the recoverable amount of the goodwill relating to the Lux business utilising</p>	<p>As principal auditors, we had issued written communication to the auditor of the overseas component ('Other Auditors') for audit procedures to be performed.</p> <p>In accordance with such communication, the procedures performed by the Other Auditors, as reported by them, have been provided below:</p> <ul style="list-style-type: none">• Tested the reasonableness of the key business projections and valuation assumptions employed in determining the



Price Waterhouse Chartered Accountants LLP

Independent Auditors' Report

To the Members of Forbes & Company Limited

Report on the audit of the Consolidated Financial Results

Page 10 of 17

Key audit matter

discounted cash flow model which incorporate significant judgement in respect of assumptions such as discount rates and future projections, as well as economic assumptions such as growth rates.

We focused on this area as a key audit matter due to the judgement involved in forecasting future cash flows and the selection of assumptions.

How the scope of our audit responded to the Key Audit Matter

fair value of the Lux group, including testing appropriateness of comparable companies, discount rate, revenue growth rate, EBITDA growth rate, terminal growth rate used in computing the fair value of the segment.

- Performed retrospective review of projections by comparison with historical performance, inquiries with management and forecast trends in the industry.
- Considered sensitivity to reasonable possibility of changes in the key assumptions and inputs to ascertain whether these possible changes have a material effect on the fair value.
- Assessed the appropriateness of the disclosures in the financial information for inclusion in the consolidated financial statements of the Company, in accordance with the applicable financial reporting framework.

Additionally, we performed audit oversight procedures over the work performed by the Other Auditors in particular:

- a) Reviewed a written summary of the audit procedures performed by the Other Auditors.
- b) Evaluated the design and tested operating effectiveness of internal controls relating to the oversight activities of the Parent Company's Management, over the impairment assessment performed by the component management.
- c) Discussed with the Other Auditors and the Management of the overseas component to understand the reasonableness of the business projections and other inputs used in computing the fair value of the Lux group.
- d) Involved our internal experts to evaluate robustness of the valuation assumptions.
- e) Considered the sensitivity to reasonable possibility of changes in the key assumptions and inputs to ascertain whether these possible changes have a material effect on the fair value.



Price Waterhouse Chartered Accountants LLP

Independent Auditors' Report

To the Members of Forbes & Company Limited

Report on the audit of the Consolidated Financial Results

Page 11 of 17

Key audit matter	How the scope of our audit responded to the Key Audit Matter
<p>Debt Covenants Refer to Note 31.XIII "Terms of Borrowings".</p> <p>Management has classified Borrowings as at the Balance sheet date, into current and non-current liabilities based on the repayment schedule in accordance with the terms of borrowings.</p> <p>Based on the filings done with the bankers, there were breach in maintaining some of the financial ratios which is one of the requirements as per the borrowing terms.</p> <p>We focused on this area as a key audit matter due to the judgement involved in presenting borrowings as current/non-current based on the original terms of repayment as per the borrowing schedule.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none">• Testing of payment of interest and repayment of principal that are due during the year, in order to verify if there is a default in such payments.• Obtaining balance confirmation from banks for confirmation on outstanding loan balances as on 31 March 2020.• Reviewing communications by the management with the lenders during the year, for submission of financial ratios based on the audited financial statements for the financial year 2018-19.
<p>Expected credit losses on trade receivables and advances.</p> <p>As at 31 December 2019, Forbes Lux FZCO "the subsidiary" had past due trade receivables of USD 1,705,923 outstanding from related parties and a dealer and advances to a related party of USD 1,297,569.</p> <p>The determination of expected credit loss involved significant estimates and judgement.</p> <p>Given the inherently judgmental nature of determining ECL and this being the first year of its application, this is considered a key audit matter.</p>	<ul style="list-style-type: none">• We obtained an understanding of the subsidiary's process for estimating impairment loss allowance and assessed the appropriateness of the ECL methodology against the requirements of IFRS 9.• Tested the reasonableness of management's key assumptions and judgments used in determination of impairment loss allowance.• Tested the input data used, both current and historical• Reviewed the aged trade receivables and advances to a related party• Verified payments received subsequent to the year end• Assessed the adequacy of the credit risk disclosure• Tested the adequacy of disclosures pertaining to impairment loss allowance included in the financial statements

Notes 4 and 31.XIII as described above is included in Notes 8 and 54 to the Consolidated Financial Statements for the year ended March 31, 2020.



Price Waterhouse Chartered Accountants LLP

Independent Auditors' Report

To the Members of Forbes & Company Limited

Report on the audit of the Consolidated Financial Results

Page 12 of 17

Other Information

12. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the board report and corporate governance report, but does not include the consolidated financial statements and our auditors' report thereon.
13. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
14. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and the reports of the other auditors as furnished to us (refer paragraph 23 below), we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

15. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group including its associates and joint ventures in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.
16. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of the Group and of its associates and joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
17. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for overseeing the financial reporting process of the Group and of its associates and joint ventures.



Price Waterhouse Chartered Accountants LLP

Independent Auditors' Report

To the Members of Forbes & Company Limited

Report on the audit of the Consolidated Financial Results

Page 13 of 17

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

18. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
19. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal 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 Holding company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities



Price Waterhouse Chartered Accountants LLP

Independent Auditors' Report

To the Members of Forbes & Company Limited

Report on the audit of the Consolidated Financial Results

Page 14 of 17

included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

20. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
21. 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.
22. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

23. We did not audit the financial statements of 27 subsidiaries whose financial statements (before eliminating intercompany transactions) reflect total assets of Rs. 242,824.50 Lacs and net assets of Rs. (-) 2,832.21 Lacs as at March 31, 2020, total revenue of Rs. 267,844.02 Lacs, total comprehensive loss (comprising of net loss and other comprehensive loss) of Rs. 98,739.61 Lacs and net cash flows amounting to Rs. (-) 3,897.27 Lacs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of total comprehensive income (comprising of profit and other comprehensive income) of Rs. 566.50 Lacs for the year ended March 31, 2020 as considered in the consolidated financial statements, in respect of 3 associate companies and 4 joint ventures respectively, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associate companies and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiaries, joint ventures and associates, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

24. The following other matter was included in the audit report dated July 13, 2020 issued on the consolidated financial statements of Eureka Forbes Limited, a



Price Waterhouse Chartered Accountants LLP

Independent Auditors' Report

To the Members of Forbes & Company Limited

Report on the audit of the Consolidated Financial Results

Page 15 of 17

subsidiary of the Holding Company issued by an independent firm of Chartered Accountants reproduced as under:

“Due to the COVID-19 related lock-down restrictions, the management of the parent company was able to perform year-end physical verification of inventories, only subsequent to the year-end. Also, we were not able to physically observe the stock verification, when carried out by the management. Consequently, we have performed alternate procedures to audit the existence of inventory as per the guidance provided in SA 501 "Audit Evidence - Specific Considerations for Selected Items" and have obtained sufficient appropriate audit evidence to issue our unmodified opinion on these Financial Statements.

Our Opinion is not modified in respect of this matter.”

Report on Other Legal and Regulatory Requirements

25. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive loss), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) The following matter was included in the audit report dated July 20, 2020 issued on the financial statements of Forbes Technosys Limited, a subsidiary of the Holding Company issued by an independent firm of Chartered Accountants reproduced as under:

“The matter described in the ‘Material Uncertainty Related to Going Concern’ section above, in our opinion, may have an adverse effect on the functioning of the Company.”

- (f) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and joint ventures incorporated in India, none of the directors of the Group companies, its associate companies and joint ventures incorporated in India is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- (g) With respect to the adequacy of internal financial controls with reference to financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.



Price Waterhouse Chartered Accountants LLP

Independent Auditors' Report

To the Members of Forbes & Company Limited

Report on the audit of the Consolidated Financial Results

Page 16 of 17

- (h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group, its associates and joint ventures— Refer Note 22 and 41 to the consolidated financial statements.
 - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts as at March 31, 2020 – Refer Note 21B to the consolidated financial statements in respect of such items as it relates to the Group, its associates and joint ventures.
 - iii. Except as referred to in Note 21B to the consolidated financial statements, there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, associate companies and joint ventures incorporated in India.
 - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Group for the year ended March 31, 2020.
26. The Group, its associates and joint ventures has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act, except as mentioned in paragraph 27 below.
27. The following matter was included in the audit report dated July 13, 2020 issued on the consolidated financial statements of Eureka Forbes Limited, a subsidiary of the Holding Company issued by an independent firm of Chartered Accountants reproduced as under:

“Details of remuneration paid in excess of the limit laid down under this section are as given below:

Financial year ended	Amount of Excess remuneration (Rs. in lakhs)	Remarks
March 31, 2020	197.14	Remuneration paid /payable to Mr. Marzin R Shroff (Managing Director & CEO) approved in the meeting of Nomination and Remuneration committee on June 25, 2020 and Board of Directors on July 8, 2020 exceeds the limit prescribed under Section 197 by Rs. 197.14 lakhs (including provision for commission of Rs 140.00 lakhs) and is subject to shareholders approval. The company has charged off the excess remuneration paid/payable in the Statement of Profit and loss account for the year ended March 31, 2020. Pending such approval, the remuneration already paid in excess of the limit amounting to Rs 57.14 lakhs is being held in trust by Mr. Marzin R Shroff (Managing Director & CEO).



Price Waterhouse Chartered Accountants LLP

Independent Auditors' Report

To the Members of Forbes & Company Limited

Report on the audit of the Consolidated Financial Results

Page 17 of 17

Financial year ended	Amount of Excess remuneration (Rs. in lakhs)	Remarks
March 31, 2020	6.42	Remuneration payable to non-whole time directors is approved by the meeting on Nomination and Remuneration committee on June 25, 2020 and Board of Directors on July 8, 2020 exceeds the limit prescribed under section 197 by Rs 6.42 lakhs and is subject to shareholders approval. The company has charged off the excess remuneration payable in the Statement of Profit and loss account for the year ended March 31, 2020.

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

Chartered Accountants



Sarah George

Partner

Membership Number: 045255

UDIN: 20045255AAAAHA2765

Place: Mumbai

Date: July 25, 2020