

July 19, 2023

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

Security Code: 502865
Security ID: FORBESCO

Dear Sir,

Sub: Annual Report of the Company for the Financial Year 2022-23 and Notice convening 104th Annual General Meeting (AGM)

Pursuant to Regulation 30 read with Para A of Part A of Schedule III and Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), please find enclosed herewith, the Annual Report of the Company for the Financial Year 2022-23, containing, inter alia, the Notice of the 104th Annual General Meeting (AGM) of the Company scheduled to be held on **Thursday, August 10, 2023, at 2:00 P.M. (IST)** through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”).

The Notice of the AGM along with the Annual Report for the Financial Year 2022-23 is also available on the website of the Company, www.forbes.co.in.

The remote e-voting period commences Monday, August 07, 2023 (9:00 am) (IST) and ends on Wednesday, August 09, 2023 (5:00 pm) (IST). During this period, the Shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date, i.e., Thursday, August 3, 2023, may cast their votes by remote e-voting.

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

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

Rupa Khanna
Company Secretary & Compliance Officer

Encl: As above

104TH
ANNUAL
REPORT

2022-23

Forbes & Company Limited

- Precision Cutting Tools
- Hand Tools
- Marking & Traceability Solutions
- Industry Automation



TOTEM

High Performance Cutting Tools



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YOUR BUSINESS**

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THREADING

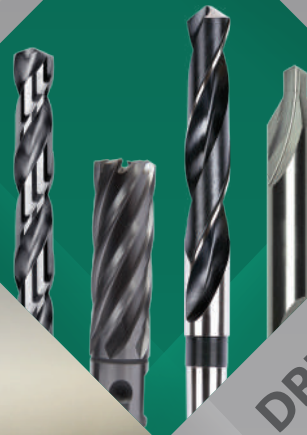


MILLING



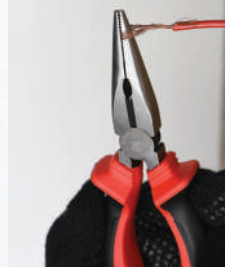
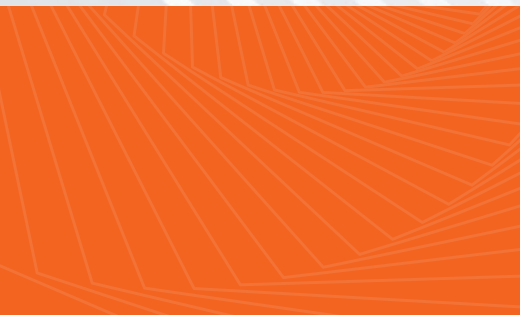
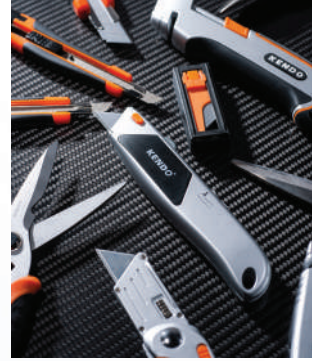
DEBURRING

DRILLING





HAND TOOLS



- TOOL STORAGE AND ASSORTMENTS
- FASTENING TOOLS
- VDE TOOLS
- MECHANIC TOOLS
- STRIKING TOOLS
- CUTTING TOOLS
- PLUMBING TOOLS
- SAWING TOOLS
- FINISHING TOOLS
- MASONRY AND PAINTING TOOLS





"BBBB"



SPRING LOCK WASHERS



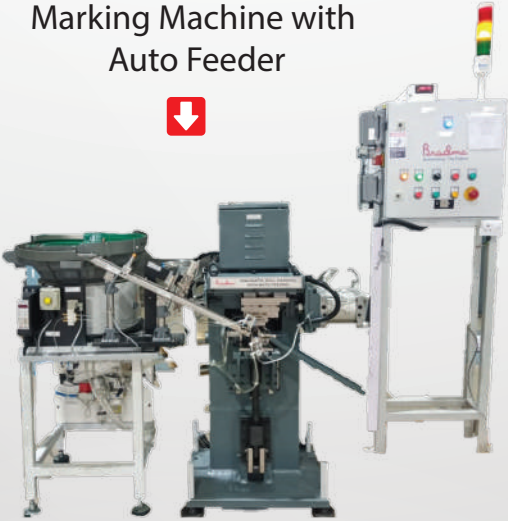
Forbes & Company Limited

Bradma

Automating The Future

INDUSTRY AUTOMATION

Pneumatic Roll
Marking Machine with
Auto Feeder



Hydraulic Roll
Marking Machine
(7 Ton Capacity)



Dot Peen Marking
SPM of Billet
for Atomic Energy Plant



Name Plate Marking
SPM for Curved Plate



Dual Head Dot Peen
Marking Machine for
Frame Component



Board of Directors

Shapoor P. Mistry	Chairman
M. C. Tahilyani	Managing Director
D. Sivanandhan	Independent Director
Jai L. Mavani	Non-Executive Director
Rani Ajit Jadhav	Independent Director
Nikhil Bhatia	Independent Director

Chief Financial Officer

Nirmal Jagawat

Company Secretary & Compliance Officer

Rupa Khanna

Statutory Auditors

M/s. Sharp & Tannan Associates

Registered Office

Forbes' Building, Charanjit Rai Marg, Fort, Mumbai 400 001
Tel: +91 22 6135 8900
Fax: +91 22 6135 8901
Email: investor.relations@forbes.co.in
Website: www.forbes.co.in/

Registrars & Share Transfer Agents

TSR Consultants Private Limited
Unit: Forbes & Company Limited,
C- 101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West).
Mumbai - 400083
Tel: +91 81081 18484
Fax: +91 22 66568494
Email: csg-unit@tcplindia.co.in
Website: www.tcplindia.co.in

104th Annual General Meeting of Forbes & Company Limited will be held on Thursday, August 10, 2023 at 2.00 pm (IST) through Video Conference ('VC') / Other Audio Visual Means ('OAVM')

The General Circulars issued by the Ministry of Corporate Affairs (MCA) Nos. 14/2020 dated April 08, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 05, 2020, 10/2022 dated December 28, 2022 ("MCA Circulars") and Securities and Exchange Board of India (SEBI) Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, SEBI/HO/CFD/PoD-2/CIR/2023/4 dated January 5, 2023 ("SEBI Circulars"), permit convening of Annual General Meeting through Video Conferencing and sending of the Annual Report (including the Notice of Annual General Meeting) upto September 30, 2023 to Members through electronic mode only.

This Annual Report can be accessed at www.forbes.co.in/

104th ANNUAL REPORT 2022-23

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NOTICE

NOTICE is hereby given that the 104th Annual General Meeting of the Members of Forbes & Company Limited will be held on Thursday, August 10, 2023 at 2.00 p.m. through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt:
 - a. the Audited Financial Statements of the Company for the Financial Year ended March 31, 2023 together with the Report of the Board of Directors and the Auditors thereon; and
 - b. the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2023 together with the Report of the Auditors thereon.
2. To appoint a Director in place of Mr. Shapoor P. Mistry (DIN: 00010114), who retires by rotation and being eligible, seeks re-appointment.

SPECIAL BUSINESS

3. Ratification of remuneration to Cost Auditor

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

"Resolved that pursuant to the provisions of Section 148 (3) and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") (including any statutory modification(s) or re-enactment thereof), read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the remuneration of ₹ 4.00 Lakhs plus applicable taxes and out of pocket expenses payable to M/s. Kishore Bhatia & Associates, Cost Accountants (Firm Registration No. 00294), the Cost Auditor appointed by the Board of Directors of the Company, to conduct the audit of the cost accounts of the Company for the financial year ending March 31, 2024 be and is hereby ratified and confirmed.

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

By Order of the Board

Rupa Khanna

Company Secretary & Compliance Officer
Mumbai, May 26, 2023

Registered Office:

Forbes' Building, Charanjit Rai Marg, Fort,
Mumbai 400 001
Tel: +91 22 6135 8900, Fax: +91 22 6135 8901
Email: investor.relations@forbes.co.in
CIN: L17110MH1919PLC000628
Website: www.forbes.co.in/

NOTES:

1. The Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 ("the Act") with respect to the special business set out in the Notice is annexed hereto. Additional information pursuant to Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI LODR] in respect of Director seeking re-appointment at the Annual General Meeting (AGM) is annexed as Annexure to this Notice.
2. In accordance with the provisions of the Act, read with the Rules made thereunder and in accordance with the General Circular No.14/2020 dated April 08, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 05, 2020, 10/2022 dated December 28, 2022 ("MCA Circulars") and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 and Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 ("SEBI Circulars") companies are allowed to hold AGM through video conference/other audio visual means ("VC/OAVM") upto September 30, 2023 without the physical presence of members. In compliance with the applicable provisions of the Act, MCA & SEBI circulars, the 104th AGM of the Company is held through VC/OAVM on Thursday, August 10, 2023 at 2.00 p.m. (IST). The proceedings of the AGM will be deemed to be conducted at the Registered Office of the Company at Forbes' Building, Charanjit Rai Marg, Fort, Mumbai 400 001, which shall be the deemed venue for the AGM.

In compliance with the aforesaid circulars, Notice of the AGM along with the Annual Report for the Financial Year ended March 31, 2023 is being sent only in electronic mode to those Members whose e-mail addresses are registered with the Company / TSR Consultants Private Limited or the Depository Participant(s). The physical copies of Annual Report will be sent only to those shareholders who request for the same. Notice and Annual Report for the Financial Year 2022-23 are also available on the website of the Company www.forbes.co.in/

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

Members holding shares in physical mode and whose email IDs are not registered, are requested to register their email ID with TSR Consultants Private Limited (RTA) at csg-unit@tcplindia.co.in or investor.relations@forbes.co.in, by sending a duly signed Form ISR-1 mentioning their Name as registered with the RTA, Address, email ID, Mobile Number, self-attested copy of PAN, DPID/Client ID or Folio Number and number of shares held. Shareholders holding shares in dematerialized mode are requested to register/update their email address with the relevant Depository Participants.

3. Since the AGM is being held pursuant to the Circulars issued by the Ministry of Corporate Affairs through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly the facility to appoint a proxy by a Member will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under section 103 of the Act. However, the Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate there at and cast their vote through remote e-voting.
4. Institutional / Corporate Members are requested to send to the Company a scanned copy (pdf/jpg format) of certified Authorisation / Board Resolution with attested specimen signature of the duly authorized signatory(ies) who are authorised to participate in the AGM through VC/OAVM on their behalf and to vote through remote e-voting to the Scrutinizer by email to scrutinisers@mmjc.in with a copy marked to evoting@nsdl.co.in/
5. **The Register of Members and the Share Transfer Books of the Company will remain closed from Friday August 04, 2023 to Thursday, August 10, 2023 (both days inclusive).**
6. Members are requested to immediately notify the REGISTRARS AND SHARE TRANSFER AGENTS or the DEPOSITORY PARTICIPANTS (in case of shares which have been dematerialised) of any change in their address.
7. Members are requested to update their email address with Depository Participant/Company to enable us to send Annual Report and other communications electronically.
8. Members who wish to claim dividend of earlier years, which remain unclaimed, are requested to either correspond with the Company or the Registrar and Share Transfer Agents, TSR Consultants Private Limited, Unit: Forbes & Company Limited, C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (west), Mumbai 400 083.

In terms of Section 124 of the Act, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to the unpaid dividend account is required to be transferred to the Investor Education and Protection Fund

(IEPF). Members are requested to ensure that they claim the dividends referred above, before it is transferred to the said Fund.

Due dates for transfer of unclaimed and unpaid dividends declared by the Company to IEPF are as under:

Financial Year ended	Date of declaration of dividend	Due date for transfer to IEPF
March 31, 2017	August 24, 2017	September 28, 2024
March 31, 2018	September 25, 2018	October 30, 2025
March 31, 2019	August 26, 2019	September 30, 2026
Special Interim Dividend for FY 2022-2023	August 13, 2022	September 18, 2029

Members are requested to send their request for claiming unclaimed dividend atleast 10 (ten) days before the date of transfer to IEPF.

Pursuant to the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), the Company has uploaded the details of unpaid and unclaimed dividends lying with the Company as on March 31, 2023 on the website of the Company, www.forbes.co.in/

Members are requested to note that all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company to demat account of the IEPF Authority within a period of thirty days of such shares becoming due to be transferred to the IEPF.

Members whose unclaimed dividends/shares have been transferred to IEPF, can claim the same from the IEPF Authority by following the procedure as detailed on the website of IEPF Authority <http://www.iepf.gov.in/IEPF/refund.html>

9. As per Regulation 40 of SEBI LODR, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019. Members may please note that SEBI, vide it's Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated Listed Companies to issue securities in demat form only while processing service requests viz. Issue of duplicate securities certificate; claim from Unclaimed Suspense Account; Renewal/Exchange of securities certificate; Endorsement; Sub-division / Splitting of securities certificate; consolidation of securities certificate/folios; Transmission and Transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR-4, the format of which is available on the Company's website, www.forbes.co.in/ and on the website of the Company's RTA at <https://www.tcplindia.co.in>. Kindly note that any service request can be processed only after the Folio is KYC compliant. SEBI vide its notification dated January 24, 2022, has mandated that all requests for transmission and transposition shall be processed only in dematerialised form. In view of this and to

eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialized form.

Pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSDPoD-1/P/CIR/2023/37 dated March 16, 2023 issued in supersession of earlier circulars nos. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 and SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/687 dated November 3, 2021 and December 14, 2021 has mandated all the listed companies to record the PAN, Address with PIN code, Email address, Mobile Number, Bank Account details, Specimen Signature and Nomination by holders of physical shares/securities. The Company has on February 5, 2022 and May 17, 2023 requested all the shareholders holding shares in physical form to complete updation of PAN, KYC details and Nomination failing which the Ledger Folios of non-compliant shareholders will be frozen as per the above Circular on or after October 1, 2023.

Members can contact the Company or Registrars and Transfer Agents, TSR Consultants Private Limited ('TSR') for assistance in this regard. The Forms for updation of PAN, KYC, Bank details and Nomination are available on the Company's website, www.forbes.co.in/

10. Members desiring any additional information/clarification on the Financial Statements are requested to send such requests at the earliest through email on investor.relations@forbes.co.in on or before August 04, 2023. The same will be replied by the Company suitably at the AGM.
11. Members desiring inspection of Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act during the AGM may send their request in writing to the Company to investor.relations@forbes.co.in by August 04, 2023.
12. Since the AGM will be held through VC/OAVM Facility, the Route Map is not annexed in this Notice.
13. In case of jointholders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
14. National Securities Depositories Limited ("NSDL") will be providing facility for voting through remote e-Voting, for participation in the 104th AGM through VC/OAVM Facility and e-Voting during the 104th AGM.
15. Members may join the 104th AGM through VC/OAVM Facility by following the procedure as mentioned below which shall be kept open for the Members 30 minutes before the time scheduled to start the 104th AGM and 15 minutes after the scheduled time to start the 104th AGM.
16. Members may note that the VC/OAVM Facility, provided by NSDL, allows participation of upto 1,000 Members on a first-come-first-served basis. The large Members (i.e. Members holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, auditors, etc. can attend the 104th AGM without any restriction on account of first-come first- served principle.
17. **E-Voting**
 - I. In compliance with provisions of Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of SEBI LODR, the Company is pleased to provide Members facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means, through e-Voting Services provided by National Securities Depository Limited (NSDL). Those Members participating in the AGM through VC/OAVM Facility and who have not cast their vote by remote e-voting shall be able to exercise their right to vote through e-voting system during the AGM.
 - II. The Members who have cast their vote by remote e-voting prior to the AGM may also participate in the AGM through VC/OAVM facility but shall not be entitled to cast their vote again.
 - III. **The remote e-voting period commences on Monday, August 07, 2023 (9:00 am) (IST) and ends on Wednesday, August 09, 2023 (5:00 pm) (IST).** During this period Members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Thursday, August 03, 2023 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
 - IV. The process and manner for remote e-voting are as under:
 - How do I vote electronically using NSDL e-Voting system?
 - The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:
 - Step 1: Access to NSDL e-Voting system
 - A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

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

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

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

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022-4886 7000 and 022-2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

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

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

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

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

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.

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

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

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

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

- Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

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

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to scrutinisers@mmjc.in with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on “Upload Board Resolution / Authority Letter” displayed under “e-Voting” tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In

such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 and 022 - 2499 7000 or send a request to Mr. Amit Vishal or Ms. Pallavi Mhatre at evoting@nsdl.co.in

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

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

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-Voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for remote e-Voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
 2. Members are encouraged to join the Meeting through Laptops for better experience.
 3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
 4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
 5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at investor.relations@forbes.co.in. The same will be replied by the company suitably.
 6. Members who would like to express their views during the AGM may per-register themselves as a speaker by sending their request from their registered e-mail address mentioning their name, demat account number/folio number, PAN, mobile number at investor.relations@forbes.co.in. upto August 08, 2023. Members who have registered as speakers will only be allowed to express their views during the AGM. The Company reserves the right to restrict the number of speakers depending on the available of time for the AGM.
- A. Other Instructions:**
- I. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of August 03, 2023 as per the Register of Members/Statements of beneficial ownership maintained by the Depositories, i.e., NSDL and CDSL. Any person, who

acquires shares of the Company and becomes a member of the Company after dispatch of the Notice and holds shares as of the cut-off date i.e. August 03, 2023, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or csg-unit@tcplindia.co.in.

However, if you are already registered with NSDL for remote e-Voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following no.: 022-48867000 and 022-24997000.

- II. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- III. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting or casting vote through e-voting system during the meeting.
- IV. Makarand M. Joshi and Co., Practicing Company Secretaries has been appointed as the Scrutinizer for providing facility to the Members of the Company to scrutinize the remote e-voting process and casting vote through the e-voting system during the meeting in a fair and transparent manner.
- V. During the AGM, the Chairman shall, after response to the questions raised by the Members in advance or as a speaker at the AGM, formally propose to the Members participating through VC/OAVM Facility to vote on the resolutions as set out in the Notice of the 104th AGM and announce the start of the casting of vote through the e-Voting system. After the Members participating through VC/OAVM Facility, eligible and interested to cast votes, have cast the votes, the e-Voting will be disabled by NSDL for voting 15 minutes after conclusion of meeting.
- VI. The Scrutinizer shall after the conclusion of voting at the AGM, will first download the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- VII. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed at the date of AGM.

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

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

Item No. 3

The Board of Directors have approved the appointment of M/s. Kishore Bhatia & Associates, Cost Accountants (Firm Registration No. 00294) as cost auditors of the Company at a remuneration of ₹ 4.00 Lakhs plus applicable taxes and out of pocket expenses for the financial year ending March 31, 2024.

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

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

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

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

By Order of the Board

Rupa Khanna
Company Secretary & Compliance Officer

Mumbai, May 26, 2023

Registered Office:

Forbes' Building, Charanjit Rai Marg, Fort,
Mumbai 400 001
Tel: +91 22 6135 8900, Fax: +91 22 6135 8901
Email: investor.relations@forbes.co.in
CIN: L17110MH1919PLC000628
Website: www.forbes.co.in/

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

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

Name of Director	Mr. Shapoor P. Mistry	
Director Identification Number (DIN)	00010114	
Date of Birth	September 6, 1964	
Date of first Appointment on Board	September 3, 2001	
Qualification	B.A.(England) Business & Economics	
Relationships between directors inter-se	Not related to any Director of the Company.	
Brief profile and expertise in specific functional areas	<p>Mr. Shapoor P. Mistry, is the Chairman of multi-billion dollar Shapoorji Pallonji group, a 157 year old diversified business conglomerate with business interests in Construction, Real Estate, Infrastructure, Water, Oil & Gas and Renewable Energy. The group has a presence in more than 50 countries.</p> <p>Mr. Shapoor Mistry spearheaded the group's re-entry into the Real Estate business in 1992 and, in just over a decade, has transformed it into a multi city, diversified asset class business with over 100 million square feet of developable real estate space. Under his leadership, the Group also entered the Oil & Gas Sector by developing the expertise to design, engineer, build and operate Floating Processing Storage & Offloading (FPSO) vessels and has successfully delivered 4 FPSOs, with 3 of them deployed in India's offshore waters, greatly reducing India's import dependence, and contributing to the nation's energy security.</p> <p>Mr. Shapoor Mistry is a noted philanthropist and has been associated with a number of charities concerning Health care and Education.</p>	
List of Directorship held in other listed companies in India (excluding Private and Section 8 Companies)	Nil	
Listed companies from which the Director has resigned in the past 3 (three) years	Eureka Forbes Ltd.	
Chairmanship/Membership of the Committees of Audit Committee and Stakeholders Relationship Committee of other Indian Public Companies	Nil	
Terms and Conditions of re-appointment	Non-executive Director, liable to retire by rotation.	
No. of shares held in the Company	Nil	
Attendance at the Board Meeting in the Financial Year 2022 – 2023	No. of Meetings held	Attended
	8	1
Details of remuneration	Except for sitting fees for attending the meetings of the Board and Committees and Commission as approved by shareholders, no other remuneration is paid/payable to Mr. Shapoor P. Mistry.	

By Order of the Board

Rupa Khanna

Company Secretary & Compliance Officer

Mumbai, May 26, 2023

Registered Office:

Forbes' Building, Charanjit Rai Marg, Fort,
Mumbai 400 001
Tel: +91 22 6135 8900, Fax: +91 22 6135 8901
Email: investor.relations@forbes.co.in
CIN: L17110MH1919PLC000628
Website: www.forbes.co.in/

REPORT OF BOARD AND MANAGEMENT DISCUSSION AND ANALYSIS

Dear Members,

The Board of Directors hereby submit the report of the business and operations of the Company along with the Audited Financial Statements of the Company for the Financial Year (FY) ended March 31, 2023. The consolidated performance of the Company and its subsidiaries has been referred to wherever required.

Financial Results and Highlights of Performance

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

Particulars	Standalone		Consolidated	
	FY 22-23 *	FY 21-22	FY 22-23 *	FY 21-22 *
Revenue and Other Income (Total Income)	46,174	24,875	71,011	54,917
Earnings before Finance Cost, Depreciation, Share of Net Profit of Joint ventures Exceptional Item & Tax	23,997	4,687	24,894	8,388
Share of Net Profit of joint venture	-	-	296	1,204
Profit / (Loss) after Finance Cost, Depreciation, Share of Net profit of Joint ventures and before Exceptional Items & Tax	21,817	2,144	20,710	1,250
Exceptional Items - Income/(Expense)	2,905	4,10,091	1,202	(34,641)
Profit before Tax (PBT)	24,722	4,12,235	21,912	(33,391)
Profit/(loss) after tax for the year from continuing operations	23,859	4,13,294	19,133	(32,361)
Profit/(loss) before tax from discontinued operations	-	-	69	4,57,306
Tax Expense	863	(1059)	(20)	(2,080)
Profit/(loss) for the year from discontinued operations	-	-	49	4,55,226
Profit/(Loss) for the year	23,859	4,13,294	19,182	4,22,865
Other Comprehensive Income (net of tax)/(Loss)	1,308	22	(3,222)	6,499
Total Comprehensive Income	25,167	4,13,316	15,960	4,29,364
Earnings Per Share - Basic and Diluted (₹) (Continuing operation)	184.95	3203.83	150.38	(253.34)
Earnings Per Share - Basic and Diluted (₹) (Discontinued operations)	-	-	0.39	3,575.39

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

* The results are not comparable because of the effect of a) sale of 3.804 acres of land at Chandivali at a profit of ₹ 206.84 Crores and has been recognized as Other income in the financial results. b) Sale of entire equity shareholding in Forbes Facility Services Private Limited (FFSPL), at a gain of ₹ 32.00 crores is recognised as an exceptional gain. c) the Composite Scheme of Arrangement between Aquagnis Technologies Private Limited, Euro Forbes Financial Services Limited, Eureka Forbes Limited, Forbes & Company Limited and their respective Shareholders and simultaneous demerger of Health, Hygiene, Safety Products and Services Undertaking with effect from February 1, 2022. The Health, Hygiene, Safety Products and Services Undertaking is considered as discontinued business for the period April 1, 2021 to January 31, 2022 for the purpose of this reporting in line with Ind AS requirements.

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

General Performance and Outlook

The financial year in discussion had its own share of surprises. The Indian economy has moved on after its encounter with the pandemic and FY 2022-2023 was a year of several challenges to growth, which India faced and withstood them better than most economies. Measures taken by the government and RBI have managed to rein in inflation while continuing to support economic growth. As inflation rates accelerated, many countries faced severe economic stress. During this difficult period and uncertainty, India became the world's fifth largest economy, measured in current dollars in the year 2022. According to the Economic Survey 2023 presented by the government, in real terms the GDP growth for 2023 -24 has been predicted to be 6.5 % and growth in range of 6 % and 6.8%, depending on the direction of global economic and political development. While the efforts of India overall were stupendous in the global environment, the challenges itself continue to prevail and the policy making bodies and the industry itself has to remain alert to these challenges. Overall, the outlook for the Indian economy remains positive.

Performance and outlook

During the year under consideration, your Company has seen many actions of consolidation and these are discussed hereunder followed by the discussion on results. This allows your Company to focus on the core and growth oriented businesses, namely Precision Tools, Industrial Automation and Real Estate. The Company has a tradition of excellence and total customer delight as its singular aim. During the year, major actions have been taken in various areas and the key points are being summarized hereunder for the better understanding of all its stakeholders.

- Your Company has transferred, by sale, its entire equity shareholding in Forbes Facility Services Private Limited (FFSPL), a wholly owned subsidiary of the Company, to SILA Solutions Private Limited (SILA) and pursuant to Share Purchase Agreement dated May 20, 2022 (SPA). The Company has received the closing date sale consideration of ₹ 39.60 crores and post-closing sale consideration of ₹ 2.40 crores are subject to realization of receivables under litigation by FFSPL as per the terms of the SPA. The net consideration after carrying amount of investment and expenses incurred on the sale transaction an amount of ₹ 32.00 crores is recognised as an exceptional gain.
- Your Company has entered into a Sale Deed dated June 3, 2022 with Equinix India Private Limited for sale of 3.804 acres of land at Chandivali at a total consideration of ₹ 235 crores. The Company has received entire consideration of ₹ 235 crores. The difference between the net disposal proceeds and the carrying amount of the land amounting to ₹ 206.84 crores has been recognized as gain on disposal and reflected in other income in the financial results.

- Shapoorji Pallonji Forbes Shipping Limited (SPFSL), a subsidiary of your Company, sold its last owned vessel on April 4, 2022 consequently there were no business operations left in the SPFSL. As such, your Company sold its entire equity and preference shareholding in SPFSL to M/s G.S Enterprises, a related party, vide Share Purchase Agreement dated June 22, 2022, for an aggregate purchase consideration of ₹ 29 crores basis valuation report by an independent valuer. The net carrying value of the investments in associate as at the date of sale was ₹ 28.02 crores and hence the Company has recognised an exceptional gain of ₹ 0.98 crores in the financial results.
 - Your Company and MACSA ID, S.A., have entered into a 50:50 Joint Venture Agreement on December 5, 2022 (JVA) for providing innovative laser marking and traceability solutions for the entire range of materials metal and non-metals. Pursuant to the terms of the JVA, a joint venture company viz., Forbes Macsa Private Limited (JVC) has been incorporated on December 9, 2022. The JV partners have infused equity and preference shares capital to the tune ₹ 2.5 Crores each in the JVC and the full amount was converted into Equity and Preference Shares at the beginning of the year 2023-24. The JVC and shareholders have executed the technology and trademark license agreement and brand and technology licensing agreement with respect to their respective brands. The operations of JVC started from March 1, 2023.
 - Your Company has approved the Scheme of Arrangement ("Scheme") between the Company ("FCL" or the "Demerged Company") and Forbes Precision Tools and Machine Parts Limited ("FPTL" or the "Resulting Company") and their respective shareholders under Section 230 to 232 of the Companies Act, 2013 and other applicable provisions and the Rules framed thereunder. This Scheme is a Scheme of Arrangement involving demerger of Precision Tools business of the Company into Forbes Precision Tools and Machine Parts Limited. The Scheme is subject to necessary approvals by the Stock Exchanges, Securities and Exchange Board of India, Shareholders and Creditors of the Company, as may be applicable, Jurisdictional Bench of National Company Law Tribunal ("NCLT") and such other statutory and regulatory approvals as may be required. The relevant documents for obtaining approval under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI LODR] are submitted to the BSE Ltd.
- FPTL has been incorporated on August 30, 2022 as a wholly owned subsidiary of the Company for carryout the Precision Tools business after implementation of the Scheme. Subsequently to all relevant approvals, it will be listed on BSE Limited.
- Your Company has paid Special interim dividend of ₹ 65 per fully paid equity share of ₹ 10 each for the financial year 2022-23. With a view to preserve resources, this shall be the final dividend too and there shall be no further distribution of dividend for the current financial year.

- The operations of Forbes Technosys Limited (FTL), a 100% subsidiary, has been substantially rationalised and all the external loans from Banks have been fully repaid which are funded by your Company by way of investment in FTL either as equity or as Inter Company Deposits (ICDs). The earlier loans of FTL were guaranteed by your Company and FTL, given its liquidity position, FTL was unable to meet its obligations and were hence supported by your Company.

The National Company Law Tribunal (NCLT) have approved Composite Scheme of Arrangement for merger of Forbes Campbell Services Limited (“FCSL”) into FTL and reduction in the share capital of FTL on September 24, 2022. The appointed date of the Scheme was October 1, 2021 and the Scheme has been effective from September 29, 2022.

Consequent to the above rationalisation and relevant developments/actions, your Company now can better focus to handle and address the key areas – namely Engineering business (Precision Tools), Industrial Automation and Real Estate business. The above actions enable your Company to take challenging targets to leverage on the competencies and the capabilities created with the new situation.

Engineering Division

The engineering business including Precision Tool Group and the Industrial Automation group delivered 12% YoY growth. The focus this year was on investing in the future in new product lines and capacities to enable future growth.

Our focus on excellence and Customer Delight helped the Totem Cutting Tools Brand bag the best Metal Cutting Tool Brand Award by Times Group for 3rd consecutive year.

Improvement across supply chain, including customer deliveries helped us to grow channel sales by 22% YoY by strengthening supply chain initiatives. Engineering business strengthened its capabilities in product development building capacities & improving efficiencies of operation. The key challenges were seen in export market, where we saw a limited growth in markets like European Union and Israel, degrowth in Russia lower and slower offtake from the North Americas.

Our efforts to making workplace safe & green too started paying off and the Engineering Business has been awarded with Safety Award by CII for Good Safety Practices.

Precision Tools Group (PTG)

PTG business grew by 16% YoY even after geopolitical crisis of Russia and Ukraine which impacted our Company’s business to Russia and a less than anticipated demand from USA. On the other hand, some of our product portfolio (e.g. Taps, Dies, Rotary Burs), inspite of the international challenges have grown 20%. We see this situation continuing into the new financial year, but we also see the opportunity of developing our own unique product portfolio, which will provide us with the growth we aspire.

Challenges in the supply chain with shortages of raw materials & increased prices and input cost puts pressure on profitability of business. The overall impact was around 2-3% on the margins. We have expanded capacities in Hand Tools, HSS Drills, Tungsten carbide Rotary Burrs, Spring washers portfolio & Introduced Vacuum Heat treatment technology for High-Speed steel, Drag Finish Edge Preparation technology for application in specific Carbide Drills. We have also invested in establishing and upgrading Metallurgical Laboratory to enable new product development at a greater speed.

Our efforts in building brand and promoting products through domestic & international exhibitions helped us to attract new customers and opened gates for new geographies. Engineering Business participated in Regional & International exhibitions Viz. IMTEX Bangalore, IMTS USA, Mach Auto, Hand Tools Expo. Economic Times group recognition for Best Metal cutting Brand, 3rd year in row helped us to improve our image from standard tools company to High performance tools company.

PTG portfolio had remarkable success in making inroads to Key account & Development of Key Channel Partners for future growth requirement. Our cutting tools portfolio is now well accepted with multiple customers in Aerospace, Defense & Die & Mould, valve Industries and auto component manufacturing sectors.

International market growth is another element of business growth strategy & Forbes continued its business development in focused geographies which include Europe, Gulf Cooperation Council (GCC), Southeast Asia, America & Far East. We have acquired three big accounts which will contribute 50% of revenue of international sales in the near future. We are strengthening our presence in International geographies to specifically achieve higher penetration in South East Asia and GCC countries.

The Company continued to invest in selective new processes and technologies to make product better and efficient in line with Company’s vision of empowering customer through innovative products. PTG will continue to invest in capacity augmentation to meet increased market demand. Given the objectives, the Company has also undertaken some initiatives to improve the supply chain efficiency and embarked on some projects which will yield long term supply chain efficiencies.

Industrial Automation and Coding Business Group (CBG)

CBG business is still under transformation and growth stage moving from purely marking business to Special Purpose Machine, Automated Traceability Solution & Industry 4.0 Solutions. After carving out Laser technology as separate JV company, the Industrial Business is building scales in Dot Peen technology and Conventional marking elements. Though presently small, these two product lines have grown YoY & are profitable and are growing. The Company is now focusing on growth in the areas of building Special Purpose Machines & engaging in Automation project to expand the business and achieve scale and volume to be able to operate more efficiently. Focus is also on building up sales capacities for this line of business. Geographic coverage by appointment of distributors will help product growth.

One more exciting opportunity being explored is to expand the market of medical products which the Company is pursuing and will aggressively take it up after it achieves the US FDA certification of its first product which is presently under certification. We are fairly confident of obtaining the certification in due course, post which we will put in marketing efforts to distribute the said products.

“If a thing’s worth doing, it’s worth doing well.” To ensure that things are done well, Quality is the only way ahead and for that one has to have focus on high class processes and its sustainability. The focus of your Company in this area is commendable and is demonstrated from the fact that the following initiatives were successfully undertaken during the year:

- a. IATF 16949 - Certification for Auto Sector;
- b. ISO 9001-2015 for PTG & Industrial Automation and medical devices;
- c. AS 9100 - Certification for Aerospace sector in Solid Carbide tools.
- d. CDSCO approvals for mechanical & ICU ventilators
- e. ISO 13485 /2016 - Certification for medical devices

Project Vicinia, Chandivali

The Company has completed the construction of Phase 1 of the project containing Towers A, B, C, D, & F which has been made available for hand over to the customers. Phase 2 containing Towers E, G & H are expected to be completed in near next few quarters. The Company has sold entire flat inventory except 8 flats in the total project.

Overall completion of the project is delayed consequently, there have been some financial impact on the project cost which were beyond the control of the operational team. Seven dissatisfied customers have filed complaints with the MahaRera and these are being handled in conformance with the provisions of the law. The management is of the opinion that there will be no material impact due to these demands, most of them exaggerated beyond the interpretation of the contracts and are hopeful that these parties will seek an amicable resolution soon to mutual satisfaction of both parties.

Lux Group (including post balance sheet date events):

The year 2022 under review was the second full year after the outbreak of the pandemic. While the situation following COVID19 normalized in more or less all of Lux Group national sales organizations, the outbreak of the war in Ukraine heavily affected the European markets. Further threats were the FX – rate fluctuations, inflation rates, interest rates for commercial financing and changing costs of raw materials & transportation. For 2022, While the global aggregated Net Sales in EUR decreased by -6% (excluding Latin America: only -4%) compared to previous year, the number of main units delivered to Third Parties shrunk by -15%. Lux Group for FY 2022 reported a consolidated net loss amounting to 5.74 mn EUR. The overall situation of Lux Group is quite challenging. Various actions were pursued by the subsidiaries Board, which mainly included adapting the model of moving to a distributor model, in lieu of operating each of these companies as a subsidiary. The local management expected

the business to be more asset light for the companies giving it a better chance of improvement.

On April 11, 2023, Forbes Lux International AG, Lux International AG, and Lux Schweiz AG, all subsidiaries of your Company, submitted a combined request for provisional debt restructuring moratorium with the Insolvency court in summary proceedings at Wallisellen, Switzerland. The said court has granted a provisional moratorium for 4 months and also appointed a Provisional Administrator, as per the rules defined for this purpose. The moratorium cannot exceed a period of 4 months and may be extended by another 4 months in exceptional situations, by which time, the companies have to provide a revival plan within this defined period. We will provide all the stakeholders the updated information on a periodic basis. It is however important to state that the investment in Lux group is all provided for and hence there is no impact on the standalone financials of your company as on date.

Forbes Technosys Limited (FTL)

The year under review has been quite a challenging year for FTL. The company had a limited pipeline of orders entering FY 2022-23 as the company exited the loss making/ low margin businesses. FTL continued with its endeavor to right size the organization and rationalize costs.

FTL has shown losses of ₹ 33.85 crores, which include provision for old debts and inventories ₹ 14.1 crores, Intangible write off ₹ 5.0 crores, Interest ₹ 3.8 crores and Depreciation of ₹ 4.2 crores during the year under review, including cash and non-cash losses. Cash losses were primarily because of the company’s inability to procure orders or lower service revenue business.

Forbes Bumi Armada Limited (FBAL)

The gross revenue from operations for the financial year ended March 31, 2023 stood at ₹ 57. 8 crores compared to ₹ 55.6 crores for the financial year ended March 31, 2022. Total Comprehensive income is at ₹ 3.05 crores as against ₹ 2.07 crores in the previous year.

FBAL maintains qualified and experienced manpower which continues to provide quality manning services for Operation and Maintenance of Floating Production Storage Offload “FPSO” Vessels. It provides the best manning services in the field of FPSO Units. The provided manpower companies have achieved award of International Safety Award for demonstrating a strong commitment to good health and safety management during FY 2022-2023 by British Safety Council. FBAL has completed the year 2022-23 with zero complaint of client. FBAL continues providing Operations and Management manning services to two (2) FPSO and new venture came in the year 2022-23 to render the services of Armada Sterling V. Manpower resources of FBAL are delivering international standard services while maintaining top level Health Safety and Environment track records.

FBAL has duly complied with ISO 9001, 14001 & 45001 and OSHA 18001 to ISO 45001 certifications, which are valid till January 17, 2024 and ISO 27001 (Cyber Security) is valid till July 27, 2023. All

the compliances in terms of renewal of certification, licenses and other imperative regulations are regularly renewed and fully complied by the company without any delay. During the year under review, there has been no change in the nature of business and share capital of the Company.

Forbes Macsa Private Limited

The Company and MACSA ID, S.A., have entered into a 50:50 Joint Venture Agreement on December 5, 2022 (JVA) for providing innovative laser marking and traceability solutions for the entire range of materials metal and non-metals. Pursuant to the terms of the JVA, a joint venture company viz., Forbes Macsa Private Limited has been incorporated on December 9, 2022. The business has incurred a small loss at Total Comprehensive Income level of ₹ 13.5 lakhs.

Segment wise performance

The summarized performance of segment revenues and segment results is as under:

₹ in Lakhs

Particulars	Segment Revenue	
	FY 22-23	FY 21-22
Health, Hygiene, Safety Products and its services	18,986	22,404
Engineering	22,987	20,631
Real Estate	1,943	2,972
IT Enabled Services and Products	312	1,066
Shipping and Logistics Services	0	4,443
Others	8	29
Total	44,236	51,545
Less: Inter Segment Revenue	(38)	(72)
Total Income from operations (net)	44,198	51,473

Particulars	Segment Results	
	FY 22-23	FY 21-22
Health, Hygiene, Safety Products and its services	4,486	(31,941)
Engineering	2,477	2,969
Real Estate	124	753
IT Enabled Services and Products	(3,011)	(2,179)
Shipping and Logistics Services	0	926
Others	0	(15)
Total segment results	4,076	(29,487)
Add: Share of profit of joint ventures and associates accounted for using equity method	296	1,204
Add: Exceptional items	(816)	(230)
Less: Finance Costs	(1760)	(4,198)
Balance	1796	(32,711)
Add: Unallocable income/(expenses)	20,116	(680)
Profit /(Loss) from continuing activities before tax	21,912	(33,391)
Profit from discontinued operations	69	4,57,306
Profit /(Loss) before tax from continuing and discontinued operation	21,981	4,23,915

Key Financial performance, Operational Information and Ratio Analysis

Key Ratios/ Indicators	Standalone		Explanation for change of 25% or more
	FY 22-23	FY 21-22	
Debtors Turnover (in days)	43	49	This is an improvement mainly on account of increased in sales of Engineering division during year and better receivable management
Interest Coverage Ratio	28	3	The available liquidity permitted us to repay all major outstanding and combined with profitability, the coverage ratio shows substantial improvement.
Operating Profit Margin %	91%	14%	Improvement is mainly on account of increased income in Current Year on account of sale of Chandivali land which is non-recurring.
Return on Net Worth	101%	82%	Improved mainly on account of increased income in Current Year on account of sale of Chandivali land, which is non-recurring

Key Ratios / Indicators	Consolidated		Explanation for change of 25% or more
	FY 22-23	FY 21-22	
Debtors Turnover (in days)	68	81	This is an improvement mainly on account of increased in sales of Engineering division during year and better receivable management
Operating Profit Margin %	50%	8%	Improvement is mainly on account of increased income in Current Year on account of sale of Chandivali land which is non-recurring.
Net Profit Margin %	43%	822%	Both years include exceptional items of a high magnitude. Exceptional items mainly includes the adjustment entries passed for Composite Scheme of Arrangement in previous year and include exceptional gains in the current year.
Return on Net Worth	89%	15%	Improved mainly on account of increased income in Current Year on account of sale of Chandivali land, which is non-recurring

Revenue

During the year Company has achieved total standalone revenue (Including other income) of ₹ 46,174 lakhs (*previous year ₹ 24,875 lakhs*), The increased is mainly on account of sale of 3.804 acres of land at Chandivali at a profit of ₹ 20,684 lakhs and has been recognized as Other income in the financial statements.

During the year Company achieved consolidated revenue (including other income) of ₹ 71,011 lakhs (*previous year ₹ 54,917 lakhs*), Earnings Before Interest, Depreciation, Taxation and Amortization (“EBIDTA”) (excluding Exceptional item)

Standalone EBIDTA is ₹ 23,997 lakhs (*previous year ₹ 4,687 lakhs*) while Consolidated EBIDTA is ₹ 24,894 lakhs (*previous year ₹ 8,388 lakhs*), both significant increased mainly on account of sale of 3.804 acres of land at Chandivali at a profit of ₹ 20,684 lakhs and some items amounting to ₹ 2905 lakhs has been recognized as income in financial statement and due to lower losses in subsidiaries.

Profit/(Loss) Before Tax (“PBT”)

Consequent to the above, during the year standalone PBT is ₹ 24,722 lakhs (*previous year ₹ 4,12,235 Lakhs*)

Consolidated profit of ₹ 21,912 lakhs (*previous year loss ₹ 33,391 lakhs*) is mainly on account of sale of 3.804 acres of land at Chandivali at a profit of ₹ 20,684 lakhs and has been recognized as other income in

financial statement as against impairment of goodwill and investment of ₹ 337.67 crores in previous FY 2021 -22.

Fixed Assets

During the year standalone Gross Block is ₹ 14,422 lakhs (*previous year ₹ 14,241 lakhs*) on account of investment in plant & machinery for Engineering business. Consolidated Gross Block is ₹ 17,190 lakhs (*previous year ₹ 16,731 lakhs*), the increase is mainly on account of investment in Plant & Machinery.

Total Comprehensive Income / (Loss)

During the year standalone profit after other Comprehensive income of ₹ 25,167 lakhs (*previous year ₹ 4,13,316*) out of which ₹ 20,684 lakhs profit on sale of Chandivali land & ₹ 2,905 lakhs are on account of exceptional items mainly includes Profit on sale of Investment in FFSPL.

Consolidated Profit after Other Comprehensive Income of ₹ 15,960 lakhs (*previous year ₹ 429,364 lakhs*)

Borrowing

Total standalone borrowing is ₹ 1,256 lakhs, (*previous year ₹ 10,169 Lakhs*) reduced by ₹ 8,913 lakhs on account of repayment of short-term borrowings and term loans.

The Company's consolidated borrowing is ₹ 5,128 lakhs (*previous year* ₹ 27,132 lakhs), has gone down on account of repayment of short-term borrowing & term loans.

OPPORTUNITIES & RISKS

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

Market Development

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

The Company actively searches for ways to translate the trends in consumer preference and taste into new technologies for incorporation into future products. We develop product ideas both in-house and with selected partners to enable us to respond to rapidly changing consumer trends with speed.

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

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

Political and Global Uncertainty

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

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

Legal and Regulatory

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

Systems and Information

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

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

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

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

Energy Management

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

Internal control systems and their adequacy

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

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

Material Development in Human Resources and Industrial Relations

The fiscal year 2022-23 started with promising business results across all the Product Categories. The focus of Human Resources Function was in the areas of Safety, Health & wellbeing of the employees, Talent Acquisition, Performance Management, Capability

Development for making future ready organization. New joiners have undergone the induction program for their integration with the culture, values systems of the Company. Performance Management System workshop was conducted for aligning functional Key Result Areas and Performance Indicators in line with annual business plan. People Capability Development programs were organized to strengthen employee competence and improve productivity. The Leadership Development Program for the some Leaders & Managers was conducted to strengthen competence in Change Management, Collaborative working, Customer Centricity & Driving Execution. In addition, Value Selling and Customer Centricity training program was also conducted for the sales professionals for the competency development in value selling and Channel Management.

Investment in Subsidiaries/Joint Ventures

The Company has made new equity investments in Subsidiaries/ Joint Ventures in FY 2022-23 as follows:

Name of the Company	₹ in Lakhs
Forbes Macsa Private Limited	₹ 0.50 Equity Capital and Share Application money – Equity – ₹124.50 Share Application money-Preference- ₹125.00
Forbes Precision Tools and Machine Parts Limited	₹ 5.00 Equity Capital

Subsidiaries/ Associates /Joint Ventures

During FY 2022-23 the following company(s) have become or ceased to be subsidiaries, joint ventures or associates.

Name of Company	Nature of Relationship
Forbes Campbell Services Limited	Ceased to be subsidiary with effect from September 30, 2022 consequent upon amalgamation with Forbes Technosys Limited
Forbes Facility Services Private Limited	Ceased to be subsidiary with effect from June 22, 2022 consequent upon divestment of shareholding in the company.
Lux del Paraguay SA	Ceased to be a subsidiary of Lux International AG with effect from November 30, 2022
Forbes Precision Tools and Machine Parts Limited	Incorporated as a wholly owned subsidiary with effect from August 30, 2022
Forbes Macsa Private Limited	Incorporated as a Joint Venture Company with effect from December 9, 2022

Details of subsidiaries, associate companies and joint venture companies are set out in the statement in Form AOC-1, pursuant to Section 129 of the Act and, is attached, herewith, as Annexure "I". Financial Statements of these subsidiaries are available for inspection

at the registered office of the Company and that of the subsidiary company concerned and the same would be also available on the website of the Company, www.forbes.co.in/

Dividend & Transfer to Reserves

Your Company has paid Special interim dividend of ₹ 65 per fully paid equity share of ₹ 10 each for the financial year 2022-23. With a view to preserve resources, there shall be no further distribution of dividend for the current year in discussion.

In accordance with SEBI LODR, the Board of Directors of the Company has adopted a Dividend Distribution Policy, which is available on the website of the Company, www.forbes.co.in/ No amount has been transferred to the reserves during the year.

Share Capital

The paid-up Equity Share Capital of the Company as on March 31, 2023 was ₹1,289.86 Lakhs. During the year under review, the Company has not issued any shares with differential voting rights or 'sweat equity shares' and has not granted any stock options. As on March 31, 2023 only one Director of the Company holds 1352 equity shares in the Company. None of the other Directors hold shares of the Company.

Finance

The Board is pleased to inform the stakeholders that the Company is now Net Debt Free as on March 31, 2023. The Company continues to focus on judicious management of its working capital. Relentless focus on receivables, inventories, strict cost control and use of alternative borrowing instruments, where possible, and the sale of assets has helped in keeping the borrowings and effective interest cost under control.

Deposits

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

Particular of loans, guarantees and investments

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

Related Party Transactions

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

All related party transactions are placed before the Audit Committee for approval. Prior omnibus approval of the Audit Committee is obtained for transactions which are of a foreseen and repetitive nature. The transactions entered pursuant to the omnibus approval so granted are placed before the Audit Committee on a quarterly basis.

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

Vigil Mechanism/Whistle Blower Policy

The Company has Whistle Blower Policy/Vigil Mechanism to deal with instances of fraud and mismanagement, if any. The Policy is also available on the website of the Company.

Remuneration Policy

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

Business Responsibility and Sustainability Report

The requirements under Regulation 34 (2)(f) and the proviso thereof of the SEBI (Listing Obligations and Disclosure Requirements), 2015 is not applicable to the Company as the Company was not in the list of top 1000 listed entities based on market capitalization as on March 31, 2022 and March 31, 2023.

Internal Complaints Committee

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace as per with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules thereunder for prevention and redressal of complaints of sexual harassment at workplace. Internal Compliant Committee (ICC) has been setup to redress complaints received regarding sexual harassment as per Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the ICC includes external member. During FY 2022-23, no complaints on sexual harassment were received.

Corporate Governance and Management Discussion and Analysis

The guiding principle of the Code of Corporate Governance is 'harmony' i.e., balancing the need for transparency with the need to protect the interest of the Company and balancing the need for empowerment at all levels with the need for accountability. A detailed

report on Corporate Governance forms part of Annual Report. The 'Management Discussion and Analysis' forms part of this report.

Corporate Social Responsibility (CSR)

The Company is committed to its stakeholders to conduct business in an economically, socially and environmentally sustainable manner that is transparent and ethical.

The Company is committed to inclusive, sustainable development and contributing to building and sustaining economic, social and environmental capital and to pursue CSR projects, as and when required, that are replicable, scalable and sustainable with a significant multiplier impact on sustainable livelihood creation and environmental replenishment.

The total amount to be spent during the financial year 2022-23 was ₹ 28.05 Lakhs.

The Report on CSR activities, in terms of Section 135 of the Act, is annexed as Annexure III to this report.

Risk Management

The Board of Directors of the Company has formed a Risk Management Committee for identification, evaluation and mitigation of external and internal material risks. The Committee has established a framework for the company's risk management process and ensures its implementation. The Committee periodically reviews the risk management processes and practices of the Company and establish and amends procedures to mitigate risks on a continuing basis.

Significant and Material Orders Passed by the Regulators or Courts

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

Directors and Key Managerial Personnel

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

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

During the year under review, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, Commission and reimbursement of expenses incurred by them for the purpose of attending meetings

of Board/Committee of the Company. One of the Directors holds 1352 Equity shares of the Company and is entitled to all rights and obligations as of other shareholders.

Independent Directors are familiarized with their roles, rights and responsibilities in the Company through induction programmes at the time of their appointment as Directors and through presentations made to them from time to time. The details of familiarization programmes conducted have been hosted on the website of the Company and can be accessed at www.forbes.co.in/

Pursuant to the provisions of section 203 of the Act, Mr. M. C. Tahilyani, Managing Director, Mr. Nirmal Jagawat, Chief Financial Officer and Ms. Rupa Khanna, Company Secretary & Compliance Officer are the Key Managerial Personnel of the Company as on March 31, 2023.

Audit Committee of the Board of Directors

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

Board Evaluation

Pursuant to the provisions of the Act and SEBI LODR, the Board has carried out an annual performance evaluation of its own performance, the directors individually, as well as the evaluation of the working of its Audit, Nomination and Remuneration, Stakeholders' Relationship Committees.

The performance of the Board was evaluated by the Board after seeking feedback from all the Directors based on the parameters/criteria, such as, degree of fulfillment of key responsibility by the Board, Board Structures and Composition, establishment and delineation of responsibilities to the Committees, effectiveness of Board processes, information and functioning, Board culture and dynamics and quality of relationship between the Board and the Management.

The performance of the committees viz. Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility and Stakeholders' Relationship Committee was evaluated by the Board after seeking feedback from Committee members based on parameters/criteria such as degree of fulfillment of key responsibilities, adequacy of committee composition, effectiveness of meetings, committee dynamics and, quality of relationship of the committee with the Board and the Management.

The Board and the Nomination and Remuneration Committee reviewed the performance of the individual Directors based on self-assessment questionnaire and feedback/inputs from other Directors (without the concerned director being present).

In a separate meeting of Independent Directors, performance of Non-Independent Directors of the Board as a whole and the performance of the Chairman were evaluated.

Disclosure as required under Section 197 (12) of Act read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed as Annexure 'IV' to this Report.

Meetings of the Board

The Board met at least once in each quarter and 8(eight) meetings of the Board were held during the year and the maximum time gap between two Board meetings did not exceed the time limit prescribed in the Act. The details have been provided in the Corporate Governance Report.

Directors' Responsibility Statement

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

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

Audit Report

On a Standalone basis, there are no qualifications stated in the audit report and hence there is nothing specific to comment on the Standalone Audit Report, other than the comments mentioned in the report itself, which are self-explanatory.

As regards, the Consolidated Financial Statements, the Statutory Auditors have given a disclaimer and has expressed their inability to provide an opinion on the state of affairs of the Consolidated financials of the Company. There are two points for which the Statutory auditor

have expressed an opinion of disclaimer. In connection with these points, the response are given hereunder:

With respect to Lux International AG for non-availability of audited accounts -

The reporting of the entity Lux International AG (LIAG) is periodic and based on the information from the subsidiary for consolidation purposes. The information related to the company, LIAG has been provided to the component auditor and the review was conducted, with unsigned draft reports being available, but the final signed audit report, with their stated opinion, has not been issued by the component auditor. The Management certified accounts as shared by the management of LIAG with the component auditors has been included in the consolidated accounts.

While on the subject, it is pertinent to note that before the finalisation of the report, the company, LIAG along with Forbes Lux International AG, and Lux Schweiz AG filed an application for Debt restructuring moratorium with the Competent court in Switzerland, on April 11, 2023 and the procedure was granted by a court order on April 17 2023. Accordingly, an Administrator has been nominated, to whom the Chief Executive Officer of the company has to report, and this procedure leads to a strict and limited release of payments by the Administrator, to protect the legitimate interests of the creditors, including the payment to these auditors. The component auditors have made it clear to the management of LIAG and have expressed their inability to release the signed report unless their settlements happened. The opinion of disclaimer made by the Statutory Auditors is for the formal non-coverage of this entity i.e., LIAG, though all information required to be included in consolidated, has been considered and disclosed, except for the formal signed audited accounts. The situation will get remedied when the component auditors issue their formal report, after the matter is raised with the Administrator and the issue resolved.

It is also important to note that the results for the first 9 months (from Jan 2022 to Sept 2022) were made available by the component auditor as part of the limited review and these have been included in the consolidated accounts, quarter to quarter and now for the full year too. We believe that the risk of error for the full year unaudited accounts is therefore minimal or non-existent.

It is also pertinent to note that the full investment value has been provided in the standalone accounts of the Company in the FY 2021-22 itself and this has therefore no risk or consequences, except for the reporting of the Consolidated Accounts for the year. On the commercial side the local management is exploring revival plans and Board of your Company shall take a final call on the evaluation in the next few Quarters.

The Auditor views arise from the situation of the business and for non-availability of the formal signed financials and Audit report for LIAG. While we believe that all financial reporting is in order as the certified management accounts of LIAG has been considered, we conclude that the accounts of LIAG are complete and there are no material deviations as at March 31, 2023.

With respect to Forbes Lux International AG on going concern matter:

The component Auditor has issued as adverse opinion on Forbes Lux International AG (FLIAG). This was due to fact that the liabilities exceeded its assets by ₹ 45,869 lakhs as on December 31, 2022. The component Auditors believe that the available liquidity is not sufficient to cover over indebtedness and future expected losses. Since this impacted the solvency of the company, the Auditors expressed their adverse opinion in this matter and were of the view that the accounts should not be prepared under the going concern assumption. The management of the FLIAG is of the opinion that they are exploring options to improve the liquidity through some manner by which funds could be infused and there by overcome the current crisis. As mentioned for the earlier period qualification too, the Board of your Company shall take a final call based on the proposal brought by the board of FLIAG and the decision on the final evaluation shall be made accordingly. Therefore, it may be appropriate to continue to prepare the accounts on going concern assumption till the matter is decided and concluded in next few quarters.

As regards FLIAG, on the matter of treating FLIAG as going concern, we noted that the business in its subsidiaries still operate, albeit the volume of business needs to be larger. As mentioned earlier, this business decision will be taken in the next few quarters after considering how its key subsidiaries are able to revive their own operation. Till then it would be fair and proper to treat it as going concern.

Auditors and Audit Report

Statutory Auditors

Pursuant to the provisions of section 139 of the Act read with the Companies (Audit and Auditors) Rules, 2014, M/s Sharp & Tannan Associates (ICAI Firm Registration No.109983W) are Statutory Auditors of the Company till the conclusion of 108th Annual General Meeting of the Company.

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

Cost Auditors

As per the requirements of Section 148 of the Act read with The Companies (Cost Records and Audit) Rules, 2014, the cost accounts of the Engineering Division and Project Vicinia of the Company are required to be audited by a Cost Accountant. The Board of Directors of the Company have, on the recommendation of the Audit Committee, appointed M/s. Kishore Bhatia & Associates, Cost Accountants, as Cost Auditors for the FY 2023-24 on a remuneration of ₹ 4 lakhs plus applicable taxes and out of pocket expenses.

Secretarial Audit

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules,

2014, the Company has appointed Makarand M. Joshi & Co, a firm of Company Secretaries in Practice, to undertake the Secretarial Audit of the Company. The Report of the Secretarial Auditor is annexed herewith as Annexure 'V'.

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

The Secretarial Audit Report of material subsidiaries, Forbes Bumi Armada Limited and Forbes Campbell Finance Limited is also annexed herewith as Annexure 'VI' & 'VII' respectively.

Secretarial Standards

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

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

- (a) The information required pursuant to Section 197 of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the Report and Accounts are being sent to the Members, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during the business hours on working days of the Company. Any member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.
- (b) Information relating to the Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo stipulated under Section 134(3)(m) of the Act read with Rule 8 of The Companies (Accounts) Rules, 2014 is annexed herewith as Annexure 'VIII'.

For and on behalf of the Board

Shapoor P. Mistry

Chairman

DIN: 00010114

Mumbai, May 26, 2023

Annual Return

Pursuant to section 92(3) read with section 134(3)(a) of the Act, the Annual Return as on March 31, 2023 is available on the website of the Company viz. www.forbes.co.in/

Insolvency and Bankruptcy Code 2016

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

Settlement with Banker or Financial Institutions

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

Cautionary Statement

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

Acknowledgements

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

[Pursuant to first proviso to sub-section (3) of section 129 of the Companies Act 2013, read with Rule 5 of Companies (Accounts) Rules, 2014]

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

PART "A" SUBSIDIARIES

₹ In Lakhs

Name of Subsidiary	Campbell Properties & Hospitality Services Limited		EFL Mauritius Limited		Forbes Bumi Armada Limited		Forbes Campbell Finance Limited		Forbes Precision Tools and Machine Parts Limited		Forbes Technosys Limited		Forbes Lux International AG	
	31-03-2023	31-03-2023	31-03-2023	31-03-2023	31-03-2023	31-03-2023	31-03-2023	31-03-2023	31-03-2023	31-03-2023	31-03-2023	31-12-2022	31-12-2022	31-12-2022
Reporting Period of Subsidiary concerned, if different from the holding company's reporting period	EUR	Rate	₹ In Lakhs	₹ In Lakhs	₹ In Lakhs	₹ In Lakhs	₹ In Lakhs	₹ In Lakhs	₹ In Lakhs	₹ In Lakhs	₹ In Lakhs	CHF	Rate	₹ In Lakhs
(a) Share Capital	287.20	73.94	21,234.30	550.00	386.41	5.00	94.90	710.00	66.01	46,869.23				
(b) Reserves & Surplus	★ (290.36)	74.10	★ (21,516.59)	1,600.82	6,567.55	★ (1.18)	★ (11,024.61)	★ (1,222.53)	75.86	★ (92,738.69)				
(c) Total Assets	1.26	89.38	113.03	3,255.96	6,969.04	5.07	1,071.50	58.27	89.50	5,215.01				
(d) Total Liabilities	4.42	89.38	395.31	1,105.14	15.07	1.25	12,001.21	570.80	89.50	51,084.41				
(e) Investments	-	-	-	995.39	6,783.40	-	-	58.24	89.50	5,212.25				
(f) Turnover	16.37	-	-	5,777.27	7.20	-	3,19.82	-	-	-				
(g) Profit before Taxation	5.64	(0.20)	(16.60)	400.07	(857.09)	(1.18)	(3,386.58)	(392.65)	82.58	(32,425.10)				
(h) Provision for Taxation	1.48	-	-	94.36	6.46	-	-	(5.34)	82.58	440.94				
(i) Profit after Taxation	4.15	(0.20)	(16.60)	305.71	(863.55)	(1.18)	(3,386.58)	(397.99)	82.58	(32,866.03)				
(j) Proposed Dividend	-	-	-	-	-	-	-	-	-	-				
(k) % of Shareholding	100	100	-	51	100	-	100	-	100	-				

All Foreign currencies are in Lakhs.

* Net of Debit balance of Profit & Loss Accounts and Foreign exchange translation Reserve.

Annexure ' I '

FORM AOC-I

[Pursuant to first proviso to sub-section (3) of section 129 of the Companies Act 2013, read with Rule 5 of Companies (Accounts) Rules, 2014]

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

PART "A" SUBSIDIARIES

Name of Subsidiary	Lux International AG (Consolidated)				Lux Professional SA				Lux Hungaria Kereskedelmi Kft				Lux Osterreich GmbH			
	31-12-2022		31-12-2022		31-12-2022		31-12-2022		31-12-2022		31-12-2022		31-12-2022			
Reporting Period of Subsidiary concerned, if different from the holding company's reporting period	EUR	Rate	₹ In Lakhs	EUR	Rate	₹ In Lakhs	EUR	Rate	₹ In Lakhs	EUR	Rate	₹ In Lakhs	EUR	Rate	₹ In Lakhs	
Reporting Currency and exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries		AVG			AVG			AVG			AVG			AVG		
(a) Share Capital	194.90	78.71	15,339.60	3.25	78.71	255.79	0.75	78.71	59.63	5.00	78.71	393.53				
(b) Reserves & Surplus	★ (208.34)	79.34	★ (16,529.90)	★ (2.41)	79.34	★ (191.21)	26.82	79.34	2,128.18	★ (3.48)	79.34	★ (276.31)				
(c) Total Assets	111.68	88.57	9,891.36	5.98	88.57	529.64	62.19	88.57	5,507.86	14.27	88.57	1,264.15				
(d) Total Liabilities	125.12	88.57	11,081.73	5.13	88.57	454.36	34.61	88.57	3,065.73	12.76	88.57	1,129.75				
(e) Investments	-	-	-	-	-	-	-	-	-	-	-	-				
(f) Turnover	220.99	82.77	18,291.12	2.68	82.77	221.82	130.43	82.77	10,795.71	27.75	82.77	2,296.85				
(g) Profit before Taxation	(40.21)	82.77	(3,328.14)	(0.28)	82.77	(23.18)	(2.72)	82.77	(224.95)	(0.42)	82.77	(35.06)				
(h) Provision for Taxation	(17.23)	82.77	(1,426.11)	(0.03)	82.77	(2.48)	-	-	-	(0.02)	82.77	(1.45)				
(i) Profit after Taxation	(57.44)	82.77	(4,754.25)	(0.31)	82.77	(25.66)	(2.72)	82.77	(224.95)	(0.44)	82.77	(36.51)				
(j) Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-				
(k) % of Shareholding		100			100			100			100					

All Foreign currencies are in Lakhs.

* Net of Debit balance of Profit & Loss Accounts and Foreign exchange translation Reserve.

Annexure ' I '

FORM AOC-I

[Pursuant to first proviso to sub-section (3) of section 129 of the Companies Act 2013, read with Rule 5 of Companies (Accounts) Rules, 2014]

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

PART "A" SUBSIDIARIES

₹ In Lakhs

Name of Subsidiary	Lux Schweiz AG				Lux International Services & Logistic GmbH				Lux Welty Polska sp.zo.o.				Volkart Fleming Shipping & Services Limited.			
	31-12-2022		31-12-2022		31-12-2022		31-12-2022		31-12-2022		31-12-2022		31-03-2023			
Reporting Period of Subsidiary concerned, if different from the holding company's reporting period	EUR	Rate	₹ In Lakhs	EUR	Rate	₹ In Lakhs	EUR	Rate	₹ In Lakhs	EUR	Rate	₹ In Lakhs	EUR	Rate	₹ In Lakhs	
		AVG			AVG			AVG			AVG					
(a) Share Capital	7.10	78.71	558.81	0.25	78.71	19.68	0.21	78.71	16.82						50.39	
(b) Reserves & Surplus	★ (6.98)	79.34	★ (553.80)	3.56	79.34	282.10	0.16	79.34	13.00						180.33	
(c) Total Assets	1.53	88.57	135.51	6.04	88.57	534.93	1.12	88.57	99.10						316.86	
(d) Total Liabilities	1.41	88.57	124.88	2.23	88.57	197.88	0.74	88.57	65.66						86.15	
(e) Investments	-	-	-	-	-	-	-	-	-						3.91	
(f) Turnover	0.96	82.77	79.46	16.01	82.77	1,325.09	7.82	82.77	647.21						126.21	
(g) Profit before Taxation	0.21	82.77	17.38	0.92	82.77	76.05	(0.96)	82.77	(79.23)						13.87	
(h) Provision for Taxation	0.01	82.77	0.83	0.22	82.77	18.60	-	-	-						40.73	
(i) Profit after Taxation	0.20	82.77	16.55	0.69	82.77	57.46	(0.96)	82.77	(79.23)						(26.87)	
(j) Proposed Dividend	-	-	-	-	-	-	-	-	-						-	
(k) % of Shareholding		100			100			100			100				100	

All Foreign currencies are in Lakhs.

* Net of Debit balance of Profit & Loss Accounts and Foreign exchange translation Reserve.

Annexure "I" (Continued)

FORM AOC-I

[Pursuant to first proviso to sub-section (3) of section 129 of the Companies Act 2013,
read with Rule 5 of Companies (Accounts) Rules, 2014]

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "B" Associates and Joint Ventures

Sr. No.	Name of Joint Ventures / Associates	Forbes Concept Hospitality Services Private Limited	Forbes Macsa Private Limited	Nuevo Consultancy Services Private Limited	Dhan Gaming Solution (India) Private Ltd.
1	Latest Audited Balance sheet Date	31/03/2023	31/03/2023	31/03/2023	31/03/2023
2	Share of Associate/ Joint Venture held by the company on the year end				
	Number of shares held	26,25,000	5,000	58,849	4,900
	Amount of Investment (₹ in Lakhs)	262.50	0.50	5.88	0.49
	Extend of Holding %	50%	50%	49%	49%
3	Description of how there is significant influence	Joint Venture	Joint Venture	Associate	Associate
4	Reason why the associate/ Joint venture is not consolidated	NA	NA	NA	NA
5	Networth attributable to shareholding as per latest audited Balance Sheet (₹ in Lakhs)	(0.36)	243.27	1,391.04	(0.32)
6	Profit/Loss for the year				
	(1) Consider in Consolidation (₹ in Lakhs)	(0.88)	(6.61)	101.55	0.09
	(2) Not Considered in Consolidation (₹ in Lakhs)	-	-	-	-

Nomination and Remuneration Policy

I SECTION 178 OF THE COMPANIES ACT, 2013

- The Nomination and Remuneration Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director’s performance.
- The Nomination and Remuneration Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- The Nomination and Remuneration Committee shall, while formulating the policy as aforesaid shall ensure that:
 - (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
 - (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - (c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals:

II SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity; and
- Identifying persons who are qualified to become directors and who may be appointed in senior management in

accordance with the criteria laid down, and recommend to the Board their appointment and removal.

- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

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

Regulation 18(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 provides that the appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.

DEFINITIONS & INTERPRETATION

In this Policy unless the context otherwise requires:

Act shall mean Companies Act, 2013.

Board shall mean Board of Directors of the Company (Forbes & Company Limited).

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

KMPs or Key Managerial Personnel shall mean following:

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

NRC shall mean Nomination and Remuneration Committee.

Senior Management Personnel shall mean employees comprising of all members of management one grade below the MD, including the functional/ vertical heads.

INTERPRETATION

- i. The provisions of the Act and the SEBI (Listing Obligations Disclosure Requirements) Regulations 2015 (SEBI LODR) shall be deemed to have been mutatis mutandis specifically incorporated in this Policy and in case any of the provision of this Charter is inconsistent with the provisions of Act and/or the SEBI LODR, the provisions of Act and/or the SEBI LODR shall prevail.
- ii. The capitalized words not specifically defined in the Policy shall have the same meaning as under the Act or the SEBI LODR or the Charter.

- iii. For interpretation of this Policy, reference and reliance may be placed upon circulars/clarifications issued by the Ministry of the Corporate Affairs or SEBI and/or any other authority.

OBJECTIVES

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

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

FUNCTIONS OF NOMINATION AND REMUNERATION COMMITTEE

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

- Identify persons who are qualified to become Directors in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance;
- Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the

Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees;

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

APPOINTMENT OF DIRECTORS

- The NRC shall ensure that Board has appropriate balance of skills, experience and diversity of perspectives that are imperative for the execution of its business strategy, and consider various factors including but not limited to skills, industry experience, background, race and gender for balanced and diversified Board.
- The NRC shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMPs and recommend to the Board his/her appointment.
- An Independent Director shall also have experience and knowledge in one or more fields of finance, law, management, marketing, sales, administration, corporate governance, or any other disciplines related to the business of the Company.
- Appointment of Independent Directors shall be subject to compliance of provisions of section 149 of the Companies Act, 2013, read with schedule IV and rules thereunder. An

Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure(s) of such appointment in the Board's report. No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

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

REMUNERATION OF MD

- The remuneration/ to the Managing Director will be determined by the NRC and recommended to the Board for approval. The remuneration/ compensation/profit-linked commission etc. shall be in accordance with the percentage/slabs/conditions laid down in the Articles of Association of the Company, Act and shall be subject to the prior/post approval of the members of the Company and Central Government, wherever required.
- Increments to the MD should be within the slabs approved by the members and shall be made after taking into consideration the Company's overall performance, MD's contribution for the same, trends in the industry in general and in a manner which would ensure and support a high performance culture. The MD shall be eligible for remuneration as may be approved by the members of the Company on the recommendation of the NRC and the Board of Directors. The break-up of the pay scale, performance bonus and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved

by the Board on the recommendation of the NRC and shall be within the overall remuneration approved by the members and Central Government, wherever required. If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its MD in accordance with the provisions of the Companies Act, 2013 and if it is not able to comply with such provisions, then with the approval of the Central Government.

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

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

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

UPDATING THE DIRECTORS ON A CONTINUING BASIS

- The Company shall periodically arrange Board Strategy discussions at any of the Company's plants or off-site locations. At such Meetings, the Directors also get an opportunity to

see the Company's operations, interact with the Plant Heads and review the sustainability aspects of the Plant. This would enable them to gain an understanding and appreciation of the operations of the Company and initiatives taken on safety, quality, environment issues, CSR, Sustainability, etc.

- At the Board Strategy Meeting, presentations shall be made to the Directors on the Company's long term Vision and Strategy. Business Heads may also present their plans and priorities with the Board. This would enable the Directors to get a deeper insight in the operations of the Company.
- Periodic presentations on operations to the Board shall include information on business performance, operations, market share, financial parameters, working capital management, fund flows, senior management changes, major litigation, compliances, subsidiary data, etc.
- Business Heads and Company Executives may be invited at Board or Committee Meetings and meetings of Directors

for better understanding of the business and operations of the Company.

REMUNERATION TO KMPs AND SENIOR MANAGEMENT

- The level and composition to be paid to KMPs and Senior Management shall be reasonable and sufficient to attract, retain and motivate them and shall be also guided by external competitiveness and internal parity.
- The remuneration of KMPs and Senior Management Personnel shall be guided by the external competitiveness and internal parity. Internally, performance rating of all employees would be spread across a normal distribution curve.
- The remuneration of KMPs and Senior Management shall comply with the guidelines approved by the NRC.
- The terms of remuneration of the Chief Internal Auditor shall comply with the guidelines approved by the Audit Committee.

For and on behalf of the Board

Shapoor P. Mistry

Chairman

DIN: 00010114

Mumbai

May 26, 2023

**Annual Report on Corporate Social Responsibility (CSR) Activities
(Pursuant to Section 135 of the Companies Act, 2013)**

1. Brief outline on CSR Policy of the Company:

CSR Policy (‘Policy’) was adopted by the Board of Directors of the Company on March 23, 2015.

The Company is committed to its stakeholders to conduct business in an economically, socially and environmentally sustainable manner that is transparent and ethical.

The Company is committed to inclusive, sustainable development and contributing to building and sustaining economic, social and environmental capital and to pursue CSR projects that are replicable, scalable and sustainable, with a significant multiplier impact on sustainable livelihood creation and environmental replenishment.

The Company’s CSR activities focus on :

- Health.
- Education.
- Environment Preservation.
- Rehabilitation of families affected by natural calamities.
- General improvement in quality of life.

Health shall cover WaSH that is, Water, Sanitation, and Hygiene leading to better Health. Our goal here will be to work towards long-term impact by changing habits, inculcating awareness of safe drinking water, good sanitation and hygiene. Providing necessary infrastructural support, for example, community level drinking water plants, filters, educating and creating awareness on need for safe water and hygiene. To enable sustainability, the local community will be equal participants in such programmes, contributing to actual construction, monitoring, maintaining and reporting on impact and usage. Also, providing affordable world-class health care facilities to the under privileged.

Education shall seek to mainstream children, with special focus on children of underprivileged sections of the society, by providing them with non-formal schooling opportunities which can translate later to formal school admissions. Also, supporting tribal schools in the far-flung hamlets and convert them into ‘model’ educational institutions. Skill based training to young adults will be achieved through livelihoods skills’ programmes.

Environment Preservation includes adopting energy conservation practices, measuring and reducing carbon footprint, involving employees in conservation practices, utilizing environment-friendly materials and rainwater harvesting and water conservation. Setting a goal to ‘green our planet’ consciously by planting trees.

Rehabilitation of families affected by natural calamities includes providing assistance to Government agencies involved in ‘Search and Rescue’ operations in areas of our country that are struck by natural calamities like floods, earthquakes or cyclone and providing psychological or material assistance to help distressed persons of such areas to return to their natural ways of living.

General improvement in quality of life will include development of the urban poor specially those who are impacted by re-development projects, differently abled youth to make them employment worthy, financial inclusion facilities for the poor workers.

The Company may also undertake other CSR activities as permitted in Schedule VII of the Companies Act, 2013.

The Policy is available on the Company’s website at www.forbes.co.in/

CSR projects of the Company in the financial year included Health, Education & Environment Preservation.

2. The Composition of the CSR Committee as on March 31, 2023

Sr. No	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	
1	Mr. D. Sivanandhan	Non-Executive, Independent Director, Chairman	-	-
2	Mr. M. C. Tahilyani	Executive, Non-Independent Director, Member	-	-
3	Mr. Jai Mavani	Non-Executive, Non – Independent Director, Member	-	-

3. The web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

The composition of the CSR Committee is available on our website, at www.forbes.co.in/

The Committee, with the approval of the Board, has adopted the CSR Policy as required under Section 135 of the Companies Act, 2013.

The CSR Policy of the Company is available on our website, at www.forbes.co.in/

The annual action plan / projects, the details of which are available on our website, at www.forbes.co.in/

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable- Not Applicable

5. Net Profit Calculation

(₹ in lakhs)

a)	Average net profit of the company as per sub-section (5) of section 135.	1402.66
b)	Two percent of average net profit of the company as per section 135(5)	28.05
c)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	Nil
d)	Amount required to be set off for the financial year, if any	Nil
e)	Total CSR obligation for the financial year (5b + 5c - 5d)	28.05

6. Details of CSR Amount Spent

(₹ in lakhs)

a)	Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)	18.71
b)	Amount spent in Administrative Overheads	Nil
c)	Amount spent on Impact Assessment, if applicable	Nil
d)	Total amount spent for the Financial Year [(a)+(b)+(c)]	18.71

e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year.	Amount Unspent (in ₹ in lakhs)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
18.71	9.34	April 28, 2023	-	-	-

f) Excess amount for set-off: Not Applicable

7. Details of Unspent CSR amount for the preceding three financial years

(₹ in lakhs)

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6)	Amount spent in the reporting Financial Year	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.	Amount remaining to be spent in succeeding financial years.
1	2019-20	-	53.18	-	Nil
2	2020-21	-	-	-	-
3	2021-22	-	-	-	-

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Not Applicable

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135:

The Company had entered into a Memorandum of Understanding (MOU) with Aurangabad Municipal Corporation towards reconstruction of a municipal school building in Aurangabad and has committed towards the partial cost of construction of class rooms and toilet block/s in the secondary school building of the said municipal school. The construction of the school building and related infrastructure has already commenced.

Mahesh Tahilyani
Managing Director
DIN: 01423084

D. Sivanandhan
Chairman of the CSR Committee
DIN:03607203

Mumbai, May 26, 2023

Annexure "IV"

Disclosure under Section 197 (12) and Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**1. a. Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year ended March 31, 2023.**

Non-Executive Directors of the Board were paid sitting fees and commission during the financial year ended March 31, 2023 as follows:

Director	Sitting Fees (₹ in lakhs)	Commission (₹ in Lakhs)	Total (₹ in Lakhs)	Ratio to Median (No. of times to Median Salary) Non- Executive Directors
Mr. D. Sivanandhan	10.00	15.00	25.00	5.43
Mr. Jai L. Mavani	5.00	15.00	20.00	4.35
Mr. Nikhil Bhatia	10.50	15.00	25.50	5.54
Ms. Rani Ajit Jadhav	5.50	15.00	20.50	4.45
Mr. Shapoor P. Mistry	0.50	15.00	15.50	3.37

Remuneration to Executive Director

Director	(₹ in lakhs)	Ratio to Median (No. of times to Median Salary)
Managing Director	316.50	68.78

b. Percentage increase in remuneration of Key Managerial Personnel (KMPs) in the financial year.

The percentage increase in remuneration of each, Managing Director was 17%, CFO was 8%. Company Secretary was appointed during the FY 2022-23 hence not reported.

2. Percentage increase in the median remuneration of employees in the financial 2022 - 2023.

The percentage increase in the median remuneration of the employees in FY 2022 - 2023 was 8%

3. Number of permanent employees on the rolls of Company as on March 31, 2023 were 520 and in the previous year were 571.**4. Average percentile increase already made in the salaries of employees other than managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.**

Average percentile increase in remuneration of Non Key Managerial Personnel was 7.86 % and for Key Managerial Personnel was 8 %. There is no exceptional circumstances for increase in managerial remuneration.

5. The Company affirms remuneration is as per the remuneration policy of the Company and confirmed by the Board.

FORM NO. MR.3
SECRETARIAL AUDIT REPORT

For the Financial Year ended March 31, 2023

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Forbes & Company Limited
Forbes' Building, Charanjit Rai Marg, Fort, Mumbai – 400001

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

Auditor's Responsibility:

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023 (hereinafter called the 'Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2023 according to the provisions of:

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

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

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

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments made thereunder. ('Listing Regulations')

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

The outcome of the Board Meeting dated May 30, 2022 is being filed to Stock Exchange, within 30 minutes after receipt of signed Financial results from Auditors instead of within 30 minutes from the conclusion of the meeting. Further, PIT Regulation Compliances w.r.t. trading by Designated Personnel is checked on the basis of the quarterly Benpos received from the Company since weekly benpos was not available for verification.

Annual Performance Report (APR) was submitted to Authorized Dealer (AD) Banks by Company for its subsidiary companies on December 29, 2022. However, we are unable to comment on further update.

We further report that, having regard to the compliance system prevailing in the Company and on the examination of the relevant documents and records in pursuance thereof, on test-check basis the Company has complied with the law applicable specifically to the Company i.e. Real Estate Regulatory Authority Act.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, and Independent Directors and there were no changes in the composition of Board of Directors that took place during the year under review.

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

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

We further report that there are systems and processes in the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. The adequacy and efficacy of the same shall be read in the context of remarks specified in this report.

We further report that during the audit period the Company:

- a. has taken shareholder approval for sale of its entire shareholding in Forbes Facility Services Private Limited, Material Subsidiary of the Company to SILA Solutions Private Limited;
- b. has entered into joint venture agreement with Macsa ID, S.A for providing innovative laser marking and traceability solutions for the entire range of materials-metals & non-metals and incorporated a Joint Venture Company i.e. Forbes Masca Private Limited; and
- c. has taken Board Approval for incorporation of wholly owned subsidiary named Forbes Precision Tools and Machine Parts Limited, to inter-alia deal in current and new technologies in existing range of businesses and the Precision Tools Business of the Company shall be subsequently demerged into Forbes Precision Tools and Machine Parts Limited, pursuant to Scheme of Arrangement under section 230 to 232 of the Act, subject to approvals from appropriate authorities.

For **Makarand M. Joshi & Co.**

Company Secretaries

Kumudini Bhalerao

Partner

FCS: 6667

CP: 6690

PR: 640/2019

UDIN: F006667E000389038

Date : May 26, 2023

Place: Mumbai

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

To,
The Members,
Forbes & Company Limited
Forbes’ Building, Charanjit Rai Marg, Fort, Mumbai – 400001

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

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

For **Makarand M. Joshi & Co.**
Company Secretaries

Makarand M. Joshi
Partner
FCS: 5533
CP: 3662
PR: 640/2019
UDIN: F006667E000389038

Date : May 26, 2023
Place: Mumbai

FORM NO. MR-3
SECRETARIAL AUDIT REPORT

For the financial year ended March 31, 2023

[Pursuant to section 204(1) of the Companies Act, 2013 and rule no. 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
FORBES BUMI ARMADA LIMITED
(CIN: U35100MH2006PLC159958)
Forbes Building.,
Charanjit Rai Marg,
Fort, Mumbai - 400001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **FORBES BUMI ARMADA LIMITED** (hereinafter called the Company) (CIN: U35100MH2006PLC159958). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit of the Company, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023, complied with the statutory provisions listed hereunder except that and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; **(Not applicable to the Company during the Audit Period)**
- iii. The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not applicable to the Company during the Audit Period)**
- v. *The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- a. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015.
- b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not applicable to the Company during the Audit Period)**
- c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **(Not applicable to the Company during the Audit Period)**
- d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable to the Company during the Audit Period)**
- e. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not applicable to the Company during the Audit Period)**
- f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit Period)**
- g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- h. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- i. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the Audit Period);**
- j. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the Audit Period); and**

We have also examined compliance with the applicable clauses of Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.

During the period under review, the Company has complied with the applicable provisions of the Act, Rules, Regulations and Guidelines, as mentioned above.

During the year, the Company has not Filed the Form MGT 14 for approval of financial statement and the Board's report approved by

Board of Directors at their meeting held on 19th May, 2022 as per Section 179 (3) (g) of the Companies Act, 2013, however Company had filed the said form after taking Members approval in Annual General meeting of the Company held on 30th September, 2022.

*The Company is an Unlisted Public Limited Company and being material subsidiary of FORBES & COMPANY LTD, Directors have been categorised as Designated Persons and are covered by the Code of Conduct under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, of FORBES & COMPANY LTD.

We further report that:

The Board of Directors of the Company is duly constituted. Mr. Nikhil Jaysinh Bhatia was appointed as the Independent Director of the Company w.e.f. 14th December, 2022. There were no other changes in the composition of the Board of Directors during the year under review.

Based on the representation given by the Management of the Company and as verified by us, it is observed that there are no such laws which are specifically applicable to the industry in which the Company operates.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decisions of the Board are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors.

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

This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this Report.

For **SANJAY DHOLAKIA & ASSOCIATES**

(SANJAY R DHOLAKIA)
Practising Company Secretary
Proprietor
(Peer Reviewed Certificate No.2036/2022)

Membership No.:2655
CP No.: 1798

Place: Mumbai
Date: 17th April, 2023

UDIN: F002655E000112985

ANNEXURE A TO SECRETARIAL AUDIT REPORT

To,
The Members
FORBES BUMI ARMADA LIMITED
(CIN: U35100MH2006PLC159958)
Forbes Building.,
Charanjit Rai Marg,
Fort, Mumbai - 400001

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

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

For **SANJAY DHOLAKIA & ASSOCIATES**

(SANJAY R DHOLAKIA)
Practising Company Secretary
Proprietor
(Peer Reviewed Certificate No.2036/2022)

Membership No.:2655
CP No.: 1798

Place: Mumbai
Date: 17th April, 2023

UDIN: F002655E000112985

SECRETARIAL AUDIT REPORT**Form No. MR-3**

FOR THE FINANCIAL YEAR ENDED MARCH 31 2023

[Pursuant to Regulation 24A of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
FORBES CAMPBELL FINANCE LIMITED
(CIN:U51103MH1977PLC259702)
Forbes Building.,
Charanjit Rai Marg,
Fort, Mumbai - 400001

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **FORBES CAMPBELL FINANCE LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023 (“Audit Period”) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder.
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder; **(Not applicable to the Company during the period under Audit)**
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; **(Not applicable to the Company during the period under Audit)**
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(not applicable to the Company during the audit period);**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not applicable to the Company during the period under Audit)**
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable to the Company during the period under Audit)**
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not applicable to the Company during the period under Audit)**
- (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not applicable to the Company during the period under Audit)**
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not applicable to the Company during the period under Audit)**
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not applicable to the Company during the period under Audit)**
- (h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; **(Not applicable to the Company during the period under Audit) and**
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 **(The Company being unlisted and material subsidiary of Listed Company, only limited provisions are applicable)**

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Stock Exchanges. **(Not applicable to the Company during the period under Audit)**

During the period under review, the Company has generally complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above:

I further report that the Board of Directors of the Company is duly constituted with proper balance of executive directors and non-executive directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all the directors to schedule the board meetings, agenda and detailed notes on agenda were sent in advance. The Company confirms that the system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the respective meetings of the Board or Committee thereof.

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

I further report that no specific event having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. has taken place during the year under review.

Mehul Raval
Practicing Company Secretary
ACS 18300
CP. No: 24170
UDIN: A018300E000210734

Place: Mumbai
Dated: April 27, 2023

This Report is to be read with my letter of even date which is annexed as Annexure A and forms part of this report.

To,
The Members,
FORBES CAMPBELL FINANCE LIMITED
(CIN:U51103MH1977PLC259702)
Forbes Building.,
Charanjit Rai Marg,
Fort, Mumbai - 400001

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

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

Mehul Raval
Practicing Company Secretary
ACS 18300
CP. No.: 24170
Place: Mumbai
Dated: April 27, 2023

Annexure "VIII"

Particulars of Technology Absorption and Foreign Exchange Earnings and Outgo, as per section 134(3)(m) of the Companies Act, 2013 and the Rules made therein and forming part of Directors' Report for the year ended March 31, 2023.

(A) Conservation of Energy:**(i) Steps taken or impact on conservation of energy:****(a) ENERGY CONSERVATION MEASURES TAKEN:**

- Installation of Harmonic filters & Stacom panels to improve power quality & maintain power factor. Power saving of 4000 KWH/Month (Annual saving 48,000 KWH) due to Harmonic filters & Stacom panels installation.
- Factory cubical meter CT changed for MD reduction. Monthly saving of ₹ 3,50,000 (Annual saving ₹ 42,00,000) due to MD reduction.

(b) Impact of measures taken at (a) above for reduction of energy consumption and impact on cost of goods:**(i) Steps taken by the Company for utilising alternate sources of energy:**

- Effective utilisation of roof top solar system saved 1.2 MWH of power on annual basis.

(ii) Capital investment on energy conservation equipment: ₹ 34.25 Lacs**(B) Technology Absorption and Research and Development (R & D):****(i) Efforts, in brief, made towards technology & Benefits derived as result of below activity's****Research & Development**

Product innovation for difficult to machine materials which has applications in aerospace, defense, die & mould segment has been developed.

Carbide Thread mills & powder metallurgy through coolant taps for forge steel application.

Micro geometries developed for custom tools.

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

- a) the details of technology imported)
- b) the year of import) Nil
- c) whether the technology been fully absorbed)
- d) if not fully absorbed, areas where absorption has not taken place and the reasons thereof, and)

(iii) the expenditure incurred on Research and Development : Nil**Foreign exchange earnings and outgo:**

(₹ In Lakhs)

(a) Foreign exchange earnings:

1. Export of goods calculated on FOB basis	2690.72
2. Commission and other Services	-
3. Freight and Insurance recoveries	23.72
4. Others	-
Total	2714.44

(b) Foreign exchange outgo:

1. Imports calculated on CIF basis – Raw material	3112.28
2. Imports calculated on CIF basis – Components	-
3. Imports calculated on CIF basis – stores, spares and tools	135.68
4. Imports calculated on CIF basis – purchase for re-sale	193.89
5. Imports calculated on CIF basis – Capital Goods	172.06
6. Commission to overseas agents	30.38
7. Foreign travel	11.36
8. Royalty	-
9. Others	178.41
Total	3834.06

For and on behalf of Board**Shapoor P. Mistry**

Chairman

DIN: 00010114

Mumbai, May 26, 2023

CORPORATE GOVERNANCE REPORT FOR FY 2022 - 2023

Corporate Governance Policy

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

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

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

Code of Conduct

The Company has strong legacy of fair, transparent and ethical governance practices. The Code has been communicated to the Directors and the members of the Senior Management. The Company has also adopted a Code of Conduct for Non-Executive Directors of the Company. All Board members and senior management have confirmed compliance with the Code for the year ended March 31, 2023. The Non-Executive Directors of the Company have also confirmed compliance with the Code of Conduct for the Non-Executive Directors for the year ended March 31, 2023. The Annual Report contains a declaration to this effect signed by the Managing Director.

Code of Practices and Procedures for Fair Disclosure and Conduct

In compliance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Company has framed a Code for Prevention of Insider Trading & Code of Corporate Disclosure Practices ("Insider Trading Code") based on the principle that Directors, Officers, and Employees of the Company owe a fiduciary duty to the members of the Company to place the interest of the members above their own and conduct their personal securities transactions in a manner that does not create any conflict of interest situation. The Insider Trading Code also seeks to ensure timely and adequate disclosure of Price Sensitive Information to the investors by the Company to enable them to take informed investment decisions with regard to the Company's securities. The Chief Financial Officer of the Company is responsible for implementation of the Code.

Board of Directors

The Board of Directors as on March 31, 2023 comprised of Six (6) Directors. The Chairman of the Board is Non-Executive. Five (5) (83%) Directors are Non-Executive and 3 (50%) of the six of them are Independent Directors.

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

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

The Board met at least once in each quarter and the maximum time gap between two Board meetings did not exceed the time limit prescribed in Regulation 17(2) of SEBI LODR. 8 (Eight) meetings were held during the Financial Year (FY) ended March 31, 2023 on May 20, 2022, May 30, 2022, July 04, 2022, August 13, 2022, September 26, 2022, November 03, 2022, February 02, 2023 and March 21, 2023. The necessary quorum was present for all the meetings. Video conferencing facility was provided, wherever required to enable Directors to participate in meetings.

The terms and conditions of appointment of the Independent Directors and the details of familiarization programme to them are available on the website of the Company www.forbes.co.in/

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

Pursuant to the provisions of the Companies Act, 2013 ('the Act') and SEBI LODR the Board has carried out annual performance evaluation of its own performance, the Directors individually, as well as the evaluation of the working of its Committee(s) on the basis of the parameters of performance evaluation process provided in the Charter for Performance Evaluation adopted by the Board on February 19, 2015.

All the information required to be placed before the Board of Directors under Regulation 17 (7) of SEBI LODR has been duly placed. The Agenda along with explanatory notes are sent in advance to the Directors.

The names and categories of the Directors on the Board, their attendance at the Board Meetings and Annual General Meeting (AGM) held during the year, the number of Chairmanships /Directorships of all Boards excluding alternate directorship, directorship of private limited companies, foreign companies and companies under Section 8 of the Act, and the Committees of Board (Chairmanship /Membership of Board Committees include only Audit Committee and Stakeholders Relationship Committee across all public limited companies (listed as well as unlisted) including those of the Company), held by them as on March 31, 2023 are as follows

Name of the Director	Category	Number of Board Meetings during the F.Y. 2022-23		Attendance at AGM held on September 29, 2022	Number of Shares/ Convertible instruments held	Relationship with Director	No. of Directorships in all Public Companies	No. of Committee positions held in all Public Companies		Directorship in other listed entity (Category of Directorship)
		Held	Attended					Chairman	Member	
Mr. Shapoor P. Mistry DIN:00010114	Non- Executive, Non-Independent	8	1	No	Nil	None	2	Nil	Nil	Nil
Mr. M. C. Tahilyani DIN:01423084	Non-Independent, Executive	8	8	Yes	Nil	None	3	Nil	2	Nil
Mr. D. Sivanandhan DIN:03607203	Non-Executive, Independent	8	8	Yes	Nil	None	8	3	6	1. United Spirits Limited (Independent) 2. Kirloskar Industries Limited (Independent) 3. Inditrade Capital Limited (Independent) 4. AGS Transact Technologies Limited (Independent)
Mr. Jai L. Mavani DIN:05260191	Non- Executive, Non-Independent	8	8	Yes	1532	None	3	Nil	Nil	Nil
Ms. Rani Ajit Jadhav DIN:07070938	Non-Executive, Independent	8	8	Yes	Nil	None	2	1	3	Procter & Gamble Health Limited (Independent)
Mr. Nikhil Bhatia DIN: 00414281	Non-Executive, Independent	8	8	No	Nil	None	4	2	0	Gokak Textiles Limited (Independent)

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

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

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

Director	Areas of Skills/Expertise/Competence
Mr. Shapoor P. Mistry Chairman	Long term Business Strategy and Business Development, Build and nurture talent, Marketing and communications, Business Governance and Administration.
Mr. M.C. Tahilyani Managing Director	Business management and Administration, Finance and control, IT-Digital Strategy, Building High Performance Teams, Corporate Governance.
Mr. D Sivanadhan Non-Executive – Independent	Public Policy and General Administration, Business Development, Business and Corporate Governance, Security - ITS Domain Expertise.
Mr. Jai Mavani Non-Executive Non-Independent Director	Fund raising, business structuring, Finance and Tax, Mergers & Acquisitions and Business Governance.
Ms. Rani A. Jadhav Non-Executive – Independent	Public Policy and General Administration, Corporate Governance and Administration.
Mr. Nikhil Bhatia Non-Executive – Independent	Risk Management, Taxation and related Regulatory, Business structuring and Governance.

Familiarization Programme for Independent Directors

At the time of appointment of an Independent Director, a formal letter of appointment is given to him/her, which inter alia explains the role, function, duties and responsibilities expected from him/her as a Director of the Company. The Independent Directors of the Company were also provided with necessary documents/ brochures, reports and internal policies to familiarize them about the industry, business operations and functioning of various divisions/departments of the Company. The details of familiarization programme imparted to the Independent Directors are available on the Company's website at www.forbes.co.in/

Meeting of Independent Directors

The Independent Directors meet to discuss:

- a) Evaluation of the performance of Non-Independent Directors and the Board as a whole.
- b) Evaluation of the performance of the Chairman of the Company taking into account the views of the Executive Directors and Non-Executive Directors.

- c) Evaluation of quality content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

The Meetings of Independent Directors held on September 26, 2022 and February 27, 2023 were attended by all Independent Directors.

CEO/CFO Certification

As required by the Regulation 17(8) of SEBI LODR, the Certificate from Mr. M. C. Tahilyani, Managing Director and Mr. Nirmal Jagawat, Chief Financial Officer was placed before the Board of Directors.

Audit Committee

In compliance with section 177 of the Act and Regulation 18 of SEBI (LODR) 2015 the terms of reference of the Audit Committee were as under:

- I. the recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- II. review and monitor the auditor's independence and performance, and effectiveness of audit process;
- III. examination of the financial statement and the auditors' report thereon;
- IV. approval or any subsequent modification of transactions of the Company with related parties;
- V. scrutiny of inter-corporate loans and investments;
- VI. valuation of undertakings or assets of the Company, wherever it is necessary;
- VII. evaluation of internal financial controls and risk management systems;
- VIII. monitoring the end use of funds raised through public offers and related matters;
- IX. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- X. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- XI. Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- XII. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

- XIII. Discussion with internal auditors of any significant findings and follow up thereon;
- XIV. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- XV. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- XVI. To look into the reasons for substantial defaults in payments to the depositors, debenture holders, shareholders and creditors;
- XVII. To review the functioning of the Whistle Blower mechanism;
- XVIII. Approval of appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- XIX. Reviewing, with the management, financial statements, with particular reference to:
- Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of section 134 of the Act;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by management;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to financial statements;
 - Disclosure of any related party transactions; Qualification in the draft audit report;
 - Modified opinion(s) in the draft audit report
- XX. Reviewing the utilization of loans and/or advances from/investment by the Company in the subsidiary exceeding ₹ 100 crores or 10 % of the assets size of the subsidiary, whichever is lower including existing loans/advances/investments; and
- XXI. Consider and Comment on rationale, cost-benefit and impact of schemes involving merger, demerger, amalgamation etc on the listed entity and its shareholders.

XXII. Such other functions/duties as may be prescribed by the Act, or SEBI (LODR), 2015 (as amended from time to time); and such other functions/duties as may be entrusted by the Board from time to time.

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

Composition of Audit Committee

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

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

The Audit Committee meetings are attended by Chief Financial Officer, Statutory Auditors and Head of Internal Audit and the functional heads as and when required. The Company Secretary acts as the Secretary to the Committee. The gap between two consecutive meetings was not more than four months. 8 (Eight) Audit Committee meetings were held during Financial Year (FY) ended March 31, 2023 on May 20, 2022, May 30, 2022, July 04, 2022, August 13, 2022, September 26, 2022, November 03, 2022, February 02, 2023 and March 21, 2023.

The Composition of the Committee and details of meeting attended by its members is as follows:

Name of the Director	Category	No. of Audit Committee meetings held	No. of meetings attended
Mr. Nikhil Bhatia Chairman	Non-Executive, Independent Director	8	8
Mr. D. Sivanandhan	Non-Executive, Independent Director	8	8
Mr. M. C. Tahilyani	Non-Independent, Executive Director	8	8

The Chairman of the Audit Committee was not present at the last Annual General Meeting.

Nomination and Remuneration Committee

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

The meeting of Nomination and Remuneration Committee was held on December 29, 2022. The Composition of the Committee and details of meeting attended by its members is as follows:

Name of the Director	Category	No. of Nomination and Remuneration Committee meetings held	No. of meetings attended
Mr. D. Sivanandhan Chairman	Non-Executive, Independent Director	1	1
Mr. Shapoor P. Mistry	Non-Executive, Non-Independent Director	1	-
Mr. Nikhil Bhatia	Non- Executive, Independent Director	1	1

The Chairman of the Nomination and Remuneration Committee was present at the last Annual General Meeting.

The terms of reference of Nomination and Remuneration Committee includes:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - use the services of an external agencies, if required;
 - consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - consider the time commitments of the candidates.
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;

- To recommend extending or continuing the terms of appointment of Independent Directors, on the basis of report of performance evaluation of Independent Director;
- Recommend to the Board, all remuneration, in whatever form payable to senior management; and
- Such other functions/duties as may be entrusted by the Board from time to time.

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

The Committee determines and recommends to the Board the compensation of the Managing Director. The Committee makes periodic appraisal of the performance of the Managing Director. The Company does not have stock options.

Details of remuneration paid to Directors during the year ended March 31, 2023 are as follows:

a) Non-Executive Directors:

(₹ in Lakhs)

Name of Director	Sitting Fees
Mr. Shapoor P. Mistry	0.50
Mr. D. Sivanandhan	10.00
Mr. Jai L. Mavani	5.00
Ms. Rani A. Jadhav	5.50
Mr. Nikhil Bhatia	10.50

Commission was paid to any Non-executive Director during FY 2022-23.

(₹ in Lakhs)

Name of Director	Commission
Mr. Shapoor P. Mistry	15.00
Mr. D. Sivanandhan	15.00
Mr. Jai L. Mavani	15.00
Ms. Rani A. Jadhav	15.00
Mr. Nikhil Bhatia	15.00

b) Managing Director

(₹ in Lakhs)

Sr. No	Particulars	Managing Director
a.	Salary and allowance	191.39
b.	Pension Contribution to PF & Superannuation Fund	9.63
c.	Annual Performance Incentive & Ex-Gratia	115.47
	Total	316.49

Sr. No	Particulars	Managing Director
d.	Break up of fixed components and performance linked incentives with performance criteria	Item C is performance linked, others are fixed. Performance criteria include level of profits, reduction of costs, improvement of liquidity, steps taken for growth of business of the company and its subsidiaries.
e.	Service contracts	April 28, 2021 to April 27, 2026
f.	Notice Period	6 months
g.	Severance fees	Nil
h.	Stock options	Nil

Stakeholders' Relationship Committee

In compliance with the provisions of section 178 of the Act and Regulation 20 of SEBI LODR, the terms of reference of the 'Stakeholders Relationship Committee' includes:

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

The Stakeholders' Relationship Committee meeting was held on February 27, 2023.

The Composition of Stakeholders' Relationship Committee is as follows:

Name of the Director	Category	No. of meetings held	No. of meetings attended
Mr. D. Sivanandhan – Chairman	Non-Executive, Independent Director	1	1
Mr. M. C. Tahilyani	Executive	1	1
Ms. Rani Jadhav	Non-Executive, Independent Director	1	1

The Company Secretary also functions as Compliance Officer.

During the year under review, 4(Four) complaints were received by the Company and the same were resolved. Further no transfers were pending as on March 31, 2023.

Corporate Social Responsibility Committee

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

- Review of the CSR activities to be undertaken by the Company. The CSR Committee shall be guided by the list of activities specified in Schedule VII to the Act and this Policy;
- Formulate and recommend the projects to be supported to the Board and the CSR activities/programs to be undertaken by the Company;
- Recommend the CSR expenditure to be incurred on the CSR activities/programs;
- Institute a mechanism for implementation of the CSR projects and activities and effectively monitor the execution of the CSR activities;
- Appointment of a working group called the CSR Team to help it enable the implementation of the CSR projects/activities; and
- Such other responsibilities as may be entrusted by the Board from time to time.

No CSR meeting was held for FY 2022-2023. However, during the year, the matters related to corporate social responsibility were passed by resolution through circulation. There was one circular resolution dated March 30, 2023 related to the CSR matter.

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

The Composition of the Committee and details of meeting attended by its members is as follows:

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

Risk Management Committee

Pursuant to the requirements under SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, Risk Management Committee was constituted. The role and responsibility of the Risk Management Committee shall inter-alia include:

- Establishing a framework for the company's risk management process and to ensure its implementation and monitor the risk management plan;
- Identification, evaluation and mitigation of external and internal material risks;
- Periodically review the risk management processes and its effectiveness;
- Evaluate risks related to cyber security and establish procedures to mitigate these risks;
- Periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

- Keep the Board of Directors informed about the nature and contents of its discussions, recommendations and actions to be taken;
- The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Committee;
- Such other functions/duties/responsibilities as may be required under the Companies Act, 2013, SEBI LODR or as may be entrusted by the Board from time to time.

The Risk Management Committee meetings were held on September 02, 2022 and February 27, 2023.

The Composition of the Committee is as follows:

Name of Director	Category	No. of meetings held	No. of meetings attended
Mr. Nikhil Bhatia Chairman	Non-Executive, Independent Director	2	2
Mr. M.C Tahilyani	Executive Director	2	2
Mr. Jai Mavani	Non-Executive, Non-Independent Director	2	2

General Body Meetings

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

Particulars	Date	Time	Venue
101 st Annual General Meeting	September 28, 2020	3.00 p.m	The Annual General Meeting was held through Video Conferencing /Other Audio Visual Means. The deemed place of the meeting was the registered office of the Company.
102 nd Annual General Meeting	September 16, 2021	4.00 p.m	The Annual General Meeting was held through Video Conferencing /Other Audio Visual Means. The deemed place of the meeting was the registered office of the Company.
103 rd Annual General Meeting	September 29, 2022	3.00 p.m	The Annual General Meeting was held through Video Conferencing /Other Audio Visual Means. The deemed place of the meeting was the registered office of the Company.

Details of Special Resolutions passed in the General Meeting during previous 3 years

Details of Special Resolutions passed through Postal Ballot:

- i. Postal Ballot Notice dated June 25, 2021
Date of declaration of results: August 11, 2021
Voting Pattern

Resolution (1)								
Re-appointment of Ms. Rani A. Jadhav (DIN: 07070938) as an Independent Director								
Category	Mode of Voting	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes – in favour	No. of Votes –Against	% of Votes in favour on votes polled	% of Votes against on votes polled
		[1]	[2]	$[3]=\frac{[2]}{[1]}*100$	[4]	[5]	$[6]=\frac{[4]}{[2]}*100$	$[7]=\frac{[5]}{[2]}*100$
Promoter and Promoter Group	E-Voting	9525691	0	0.00	0	0	0.00	0.00
	Postal Ballot		9359293	98.25	9359293	0	100.00	0.00
	Total		9359293	98.25	9359293	0	100.00	0.00
Public Institutions	E-Voting	1527534	0	0.00	0	0	0.00	0.00
	Postal Ballot		0	0.00	0	0	0.00	0.00
	Total		0	0.00	0	0	0.00	0.00
Public Non Institutions	E-Voting	1845391	15767	0.85	14912	855	94.58	5.42
	Postal Ballot		0	0.00	0	0	0.00	0.00
	Total		15767	0.85	14912	855	94.58	5.42
Total		12898616	9375060	72.68	9374205	855	99.99	0.01

Resolution (2)								
Re-appointment of Mr. M.C.Tahilyani (DIN: 01423084) as Managing Director for a further period of 5 years and approval of remuneration for a period of 3 years								
Category	Mode of Voting	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes – in favour	No. of Votes –Against	% of Votes in favour on votes polled	% of Votes against on votes polled
		[1]	[2]	$[3]=\frac{[2]}{[1]}*100$	[4]	[5]	$[6]=\frac{[4]}{[2]}*100$	$[7]=\frac{[5]}{[2]}*100$
Promoter and Promoter Group	E-Voting	9525691	0	0.00	0	0	0.00	0.00
	Postal Ballot		9359293	98.25	9359293	0	100.00	0.00
	Total		9359293	98.25	9359293	0	100.00	0.00
Public Institutions	E-Voting	1527534	0	0.00	0	0	0.00	0.00
	Postal Ballot		0	0.00	0	0	0.00	0.00
	Total		0	0.00	0	0	0.00	0.00
Public Non Institutions	E-Voting	1845391	15767	0.85	10650	5117	67.55	32.45
	Postal Ballot		0	0.00	0	0	0.00	0.00
	Total		15767	0.85	10650	5117	67.55	32.45
Total		12898616	9375060	72.68	9369943	5117	99.95	0.05

ii) **Postal Ballot Notice dated May 20, 2022**
Date of declarations of results : June 24, 2022
Voting Pattern

Resolution (1)								
Approval for sale or disposal of 100 % shareholdings of the Company in Forbes Facility Services Private Limited, wholly owned subsidiary of the Company.								
Category	Mode of Voting	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes – in favour	No. of Votes –Against	% of Votes in favour on votes polled	% of Votes against on votes polled
		[1]	[2]	[3]={[2]/[1]}*100	[4]	[5]	[6]={[4]/[2]}*100	[7]={[5]/[2]}*100
Promoter and Promoter Group	E-Voting	9525691	9359293	98.25	9359293	0	100.00	0
	Poll		0	0	0	0	0	0
	Postal Ballot		0	0	0	0	0	0
	Total		9359293	98.25	9359293	0	100.00	0
Public Institutions	E-Voting	1531387	1152470	75.26	1148851	3619	99.69	0.31
	Poll		0	0	0	0	0	0
	Postal Ballot		0	0	0	0	0	0
	Total		1152470	75.26	1148851	3619	99.69	0.31
Public Non Institutions	E-Voting	1841538	16186	0.88	15663	523	96.77	3.23
	Poll		0	0	0	0	0	0
	Postal Ballot		0	0	0	0	0	0
	Total		16186	0.88	15663	523	96.77	3.23
Total		12898616	10527949	81.6208	10523807	4142	99.9607	0.04

Person who conducted the Postal Ballot exercise:

Postal Ballot was conducted by Mr. Makarand M. Joshi, Partner, M/s. Makarand M. Joshi & Co. Practicing Company Secretaries.

Whether any special resolution is proposed to be conducted through postal ballot:

No

Whether any special resolution is proposed to be conducted through postal ballot:

None of the businesses proposed to be transacted at the ensuing AGM requires passing of a special resolution through postal ballot.

Procedure for postal ballot

The postal ballot was carried out as per the provisions of sections 108 and 110 and other applicable provisions of the Companies Act, 2013 read with the Rules framed thereunder.

Fees paid by the Company and its Subsidiaries, on consolidated basis, to Statutory Auditors and all entities in the network firm/network entity of which the statutory auditor is a part:

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

(₹ in Lakhs)

Particulars	By Company	By Subsidiaries	Amount (Rs)
Statutory Audit Fees	98.28*	1.5	99.28
Out of pocket Expenses	6.21	-	6.21
Total	104.49	1.5	105.99

*includes fee paid to erstwhile auditor.

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

The required disclosures have been made in the Directors' Report for the year ended March 31, 2023 which forms part of this Annual Report for FY 2022-2023.

Related Party Transactions

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

All related party transactions are placed before the Audit Committee for approval.

The Board has approved policies for determining material subsidiaries and related party transactions which has been uploaded on the Company website viz www.forbes.co.in/

Disclosure on loans and advances

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

Disclosure of Material Subsidiaries

Name of the Material Subsidiaries	Date of Incorporation	Place of Incorporation	Name of Statutory Auditor	Date of Appointment/ Re-appointment of Statutory Auditor
Forbes Bumi Armada Limited	23/2/2006	Mumbai	Price Waterhouse Chartered Accountants LLP	17/05/2023
Forbes Campbell Finance Limited #	25/4/1977	Chennai @	U B G & Company	28/09/2022
Forbes Facility Services Private Limited \$	28/7/2004	Mumbai	Bataliboi & Purohit	22/08/2019
Forbes Lux International AG	27/11/2013	Wallisellen	Grant Thornton	08/08/2022
Lux International AG	27/11/1998	Wallisellen	Grant Thornton	08/08/2022
Lux Hungaria Kereskedelmi Kft	01/01/1999	Budapest	Grant Thornton	01/06/2022

Originally incorporated as Sarada Latham Business Machines Limited, name changed to Latham India Limited wef 24/1/1989. The name of Latham India Limited was change to Forbes Campbell Finance Limited wef 14/6/2010.

@ The registered office is shifted to Mumbai

\$ Ceased to be Subsidiary wef June 22, 2022.

Statutory Compliances

The Company has ensured necessary compliance with the requirements of the Stock Exchange, SEBI and other authorities related to capital market and the details of non-compliance and penalties are not applicable.

Vigil Mechanism/Whistle Blower Policy

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

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

The Company has complied with all the mandatory requirements of SEBI LODR. The status of compliance with discretionary requirements under Regulation 27(1) and Part E Schedule II of SEBI (LODR), 2015 is provided below:

- Shareholders' Rights: As the quarterly and half yearly financial results are published in the newspapers and are also posted on the Company's website, the same are not sent to the shareholders.

- Audit Qualifications: The Company's standalone financial statement for the financial year 2022-2023 does not contain any audit qualification.
- Separate posts of Chairman and CEO: The Chairman of the Board is a Non- Executive Director. The Company has appointed Managing Director to take care of the day-to-day affairs of the Company. The position of the Chairman and Managing Director are separate.
- Reporting of internal auditor: The internal auditor may report directly to the audit committee

Means of Communication

The quarterly, half yearly and annual results are generally published in the Financial Express (English daily) and Navshakti or Mumbai Lakshadeep (regional language newspaper). The financial results, shareholding patterns are also available on the website of the Company, i.e. www.forbes.co.in/

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

General Shareholders Information

AGM-Date, time and Venue	Next Annual General Meeting of the Company is scheduled on Thursday, August 10, 2023 at 2.00 PM through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM')
Financial Year	The Company follows the April – March financial year
Book Closure Date	The Register of Members and the Share Transfer Book of the Company will remain closed from Friday, August 04, 2023 to Thursday, August 10, 2023 (both days inclusive)
Listing on Stock Exchange	BSE Limited, P.J. Towers, Dalal Street, Mumbai – 400 001.
Stock Code	502865 (ISIN-INE518A01013)

Equity shares of the Company are listed on BSE Limited only and Company has paid the annual listing fees before the due date.

Market price data for the Shares of face value ₹ 10 each is as under:

Month	Forbes High	Forbes Low	No. of Shares	BSE Index High	BSE Index Low	BSE 500 High	BSE 500 Low
April' 2022	445.00	395.25	89,077	60,845.10	56,009.07	24,628.56	23,272.39
May' 2022	428.90	331.00	60,305	57,184.21	52,632.48	23,575.05	21,343.16
June' 2022	426.80	360.00	92,356	56,432.65	50,921.22	22,770.95	20,482.98
July' 2022	428.75	348.00	1,41,935	57,619.27	52,094.25	23,376.50	21,018.58
August' 2022	963.60	390.25	14,68,186	60,411.20	57,367.47	24,629.69	23,362.49
September' 2022	824.80	628.80	4,29,426	60,676.12	56,147.23	25,066.46	23,141.62
October' 2022	790.00	673.35	1,12,931	60,786.70	56,683.40	24,606.03	23,252.98
November' 2022	720.00	650.00	1,34,220	63,303.01	60,425.47	25,479.82	24,545.33
December' 2022	738.00	601.10	1,34,159	63,583.07	59,754.10	25,554.25	23,865.88
January' 2023	690.00	600.00	45,490	61,343.96	58,699.20	24,801.94	23,369.49
February' 2023	709.00	608.00	44,920	61,682.25	58,795.97	24,124.77	23,004.17
March' 2023	645.00	559.00	91,727	60,498.48	57,084.91	23,785.16	22,556.39

Registrars and Share Transfer & Agents

The Company has appointed TSR Consultants Private Limited (TSR) (Earlier known as TSR Darashaw Consultants Private Limited) as its Registrar & Share Transfer Agents (RTA). Shareholders are advised to approach TSR on the following address for any queries and problems related to shares held in physical form:

TSR Consultants Private Limited
C-101, 1st Floor, 247 Park,
Lal Bahadur Shastri Marg, Vikhroli (west),
Mumbai - 400 083.
Tel.: +91 81081 18484 Fax.: +91 22 6656 8496
E-mail: csg-unit@tcplindia.co.in
Website: www.tsrdarashaw.com

Share Transfer System

The Stakeholders Relationship Committee of the Board of Directors of the Company inter alia monitors Share Transfers/Deletion of Name/s/Transposition of Name/s, Transmission, dematerialization and re-materialization of shares. Shares of the Company are traded compulsorily in dematerialized form.

SEBI, vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/ CIR/2022/8 dated January 25, 2022, has mandated Listed Companies to issue securities in dematerialised form only while processing service requests viz. Issue of duplicate securities certificate; Renewal/Exchange of securities certificate; Endorsement; Sub-division/Splitting of securities certificate; Consolidation of securities certificates/folios; Transmission and Transposition.

Shareholders are requested to make service requests by submitting a duly filled and signed Form ISR-4, the format of which is available on the Company's website, www.forbes.co.in/ and on the website of the Company's RTA at <https://www.tcplindia.co.in/> It may be noted that any service request can be processed only after the folio is KYC compliant.

Request for dematerialization of shares are processed by RTA and confirmation is given to the respective depositories i.e. NSDL and CDSL, within the statutory time limit from the date of receipt of share certificates after due verification.

The shareholders holding shares in physical forms are requested to get their shares dematerialised to avoid any inconvenience in the future while transferring their shares.

Distribution of Shareholding as on March 31, 2023

Category	No. of Shares	%
Promoters	95,25,691	73.85
Central/State Government Institutions	1,10,343	0.86
Financial Institutions/ Banks	12,990	0.10
Limited Liability Partnership	3751	0.03
Mutual Fund	142	0.00
FII & NRI/FBC/FPI	15,15,702	11.75
Investor Education and Protection Fund	163448	1.27
Directors and their relatives	1532	0.01
Public	15,65,017	12.13
Total	1,28,98,616	100.00

Distribution by size as on March 31, 2023

Holding	No. of Shareholders	No. of Shares	% to Shares
1 to 500	13802	6,93,272	97.18
501 to 1000	249	1,79,065	1.75
1001 to 2000	87	1,18,931	0.61
2001 to 3000	21	54,691	0.15
3001 to 4000	6	20,728	0.04
4001 to 5000	8	36,935	0.06
5001 to 10000	8	54,849	0.06
10001 & above	21	1,17,40,145	0.15
Total	14202	1,28,98,616	100.00

Credit rating

Rating Agency	Date	Credit Rating		
		Short Term	Long term	Proposed Non-convertible Debentures
CARE Rating Limited	10.10.2022	CARE A3 (CWD) (A Three) (Under Credit watch with Developing Implications)	CARE BBB- (CWD) (Triple B Minus)(Under Credit watch with Developing Implications)	-

Plant Locations

Plot B-13, Waluj Industrial Area Waluj, Aurangabad-431 133	A7, MIDC Area Chikalhana, Aurangabad- 431 210
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Address for correspondence

Shareholders holding shares in physical mode are requested to direct all equity shares related correspondence /queries to TSR and only the non-shares related correspondence and complaints regarding TSR should be addressed to the Compliance Officer at the registered office

Status of dematerialization of shares and liquidity as on March 31, 2023

Details	No. of shares	% of Share Capital	No. of Accounts
National Securities Depository Ltd. (NSDL)	1,19,83,875	92.91	5,773
Central Depository Services (India) Ltd. (CDSL)	6,56,983	5.09	6,138
Total dematerialized	1,26,40,858	98.00	11,911
Physical	2,57,758	2.00	2,291
Total	1,28,98,616	100	14,202

Outstanding Employee Stock Options, GDRs, ADRs, etc.

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

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

Foreign exchange risk and hedging activities

The Company has a foreign exchange risk management policy for managing foreign currency exposure. The Company identifies risks and exposures to be hedged from time to time and hedges these exposures. During the year, the Company has managed foreign exchange risk and hedged in compliance with its extant foreign exchange risk management policy. The open foreign exchange exposures are reviewed at a regular interval. Note No. 2(xviii) to the standalone financial statements describes the accounting policy relating to the foreign currency transactions and translations.

The Company does not undertake any commodity hedging activities.

of the Company. Shareholders holding shares in electronic mode (dematerialized form) should address all shares related correspondence to their respective Depository Participants only.

Auditors' Certificate

1. Certificate dated May 15, 2023 issued by Makarand M Joshi & Co., Practicing Company Secretaries certifying that none of the

Directors of the Company have been debarred or disqualified from being appointed or continuing as Directors by the Board/ Ministry of Corporate Affairs or any such statutory authority.

2. The certificate dated May 26, 2023 issued by Makarand M Joshi & Co., Practicing Company Secretaries on compliance with the Corporate Governance requirements by the Company is annexed herewith.

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

As provided under Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management Personnel have confirmed compliance with the code of conduct for Board of Directors and Senior Management for the year ended March 31, 2023.

For Forbes & Company Limited

M. C. Tahilyani
Managing Director

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS (Pursuant to Regulation 34 (3) and Schedule V Para C Clause (10) (i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members
Forbes' & Company Limited

We have examined the relevant disclosures provided by the Directors (as enlisted in Table A) to **Forbes & Company Limited having CIN L17110MH1919PLC000628** and having registered office at **Forbes' Building, Charanjit Rai Marg, Fort, Mumbai, Maharashtra- 400001** hereinafter referred to as **(‘the Company’)** for the purpose of issuing this Certificate, in accordance with Regulation 34 (3) read with Schedule V Para C clause 10 (i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information, based on (i) Documents available on the website of the Ministry of Corporate Affairs (MCA) (ii) Verification of Directors Identification Number (DIN) status on the website of the MCA, and (iii) disclosures provided by the Directors (as enlisted in Table A) to the Company, we hereby certify that none of the Directors on the Board of the Company (as enlisted in Table A) have been debarred or disqualified from being appointed or continuing as directors of the companies by the Securities and Exchange Board of India, under Section 164 of Companies Act, 2013 for MCA or such other statutory authority as on 31st March, 2023.

Table A

Sr. No.	Name of the Directors	Director Identification Number	Original date of appointment in the Company
1	Shapoorji Pallonji Mistry	00010114	03/09/2001
2	Mahesh Chelaram Tahilyani	01423084	28/04/2016
3	Jai Laxmikant Mavani	05260191	22/05/2012
4	Sivanandhan Dhanushkodi	03607203	14/03/2012
5	Rani Jadhav Ajit	07070938	01/09/2018
6	Nikhil Jaysinh Bhatia	00414281	16/05/2019

For Makarand M. Joshi & Co.
Practicing Company Secretaries

Kumudini Bhalariao
Partner
FCS No.: 6667
CP No.: 6690
Place: Mumbai
Date: 15th May, 2023
UDIN: F006667E000308287

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,
The Members,
Forbes' & Company Limited
Forbes Building, Charanjit Rai Marg,
Fort, Mumbai - 400001

We have examined the compliance of conditions of Corporate Governance by **Forbes & Company Limited** ("the Company") for the year ended on March 31, 2023, as stipulated in Regulations 17 to 27 and clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["Listing Regulations"].

In our opinion and to the best of our information and according to the explanations given to us, and representations made by the management, we certify that the Company, to the extent applicable, has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of Listing Regulations.

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

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

For Makarand M Joshi & Co.
Company Secretaries

Kumudini Bhalerao
Partner

FCS.: 6667

CP. No. 6690

PR. No. 640/2019

UDIN: F006667E000389214

Date: May 26, 2023

Place: Mumbai

**STANDALONE
FINANCIAL STATEMENTS FORMING PART
OF ANNUAL REPORT OF
FORBES & COMPANY LIMITED
FOR THE YEAR ENDED MARCH 31, 2023**

Independent Auditor's report

To the members of Forbes & Company Limited

Report on the audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of **Forbes & Company Limited** (hereinafter referred as "the Company"), which comprise the Balance sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and Notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter collectively referred as the "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 (hereinafter referred as "the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed Under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended (hereinafter referred as "Ind AS") and other accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at March 31, 2023, its profit, other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

of the Standalone Financial Statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 55 of the standalone financial statements in respect of the Scheme of Arrangement approved by the Board of Directors of the Company in their meeting dated 26th September 2022, between Forbes & Company Limited (FCL) and Forbes Precision Tools and Machine Parts Limited (FPTL) and their respective shareholders under Section 230 to 232 of the Companies Act, 2013 and other applicable provisions and the rules framed thereunder.

This Scheme is a 'Scheme of Arrangement' involving the demerger of the "Precision Tools Business" of the company into Forbes Precision Tools and Machine Parts Limited (FPTL). FPTL has been incorporated on 30th August 2022 as a wholly owned subsidiary of the Company. The Scheme is subject to necessary approvals by the applicable authorities. The appointed date of the Scheme is 1st April 2023 or such other date as may be fixed or approved by NCLT, Mumbai Bench.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of the most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report;

S. No.	Key Audit Matter (KAM)	Auditor's Response
1	Assessment of Provisions and Contingent Liabilities (Refer Notes 19A, 19B and 39 to the standalone financial statements)	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> Gained an understanding of the process of identification of claims, litigations and contingent liabilities and identified key controls in the process. For selected controls, we have performed tests of controls; Obtained the summary of the Company's legal and tax cases and assessed management's position through discussions with the Legal Counsel, Head of Tax and operational management, on both the probability of success in significant cases and the magnitude of any potential loss;

S. No.	Key Audit Matter (KAM)	Auditor's Response
1	<p>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 this area a key audit matter due to the associated uncertainty of the ultimate outcome and significant management judgement in the assessment.</p>	<ul style="list-style-type: none"> • 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, read the most recent available independent tax/legal advice obtained by management and evaluate the grounds presented therein; • Obtaining written confirmations from the Company's legal/ tax consultants (internal/ external) to confirm the status of the assessments as well as had discussions with them as and when required; • Assessing the adequacy of disclosure in the standalone 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>
2	<p>Revenue recognition for Real Estate Development Activities (Refer Notes 25 and 50 to the standalone financial statements)</p> <p>Revenue recognition for real estate development activities is considered a key audit matter in view of the involvement of management judgement in establishing the timing of the transfer of control to the customer, the enforceable right to payment for performance completed to date and related disclosures.</p> <p>In respect of real estate development projects, Revenue is recognised upon transfer of control of residential units to customers for an amount that reflects the consideration the Company expects to receive in exchange for those units. The point of revenue recognition is normally based on the terms as included in the intimation for the unit handover to the customer on completion of the project, after which the contract becomes non-cancellable by the parties.</p> <p>The Company records revenue at a point in time upon transfer of control of residential units to the customers as per requirements of Ind-AS 115 involves significant judgement by the Management.</p>	<p>Our audit procedures over the recognition of revenue for Real Estate Development activities included the following:</p> <ul style="list-style-type: none"> • Obtaining an understanding and evaluating the design and testing of the effectiveness of key internal financial controls in respect of revenue recognition for real estate development activities; • Obtaining an understanding of the Company's accounting policy on revenue recognition for real estate development activities and assessing compliance of the policy with principles enunciated under Ind-AS 115; • Obtaining a listing of contracts with customers from the Management; • On a sample basis, evaluate the completeness and accuracy of the list of contracts as mentioned above; • Examining the mathematical accuracy in respect of the amount recognized as revenue in respect of these customer contracts; • Examining the terms of sales agreements, agreement value and other relevant details to validate revenue recognition during the year; • Obtaining evidence regarding the transfer of control considering criteria as per Ind-AS 115 and evaluating the enforceability of payment for work completed to date for validating the timing of the transfer of control to the customer; and • Evaluated the adequacy and appropriateness of the disclosures made in the standalone financial statements by the management with respect to revenue from the Real Estate Development Activities. <p>Based on the audit procedures performed, we did not come across any significant exceptions regarding revenue recognition regarding real estate development activities.</p>

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

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

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

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained 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.

Board of Directors' Responsibilities for the Standalone Financial Statements

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

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

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

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter: The standalone financial statements of the Company for the year ended 31 March 2022 were audited by the predecessor auditor and had issued unmodified opinion vide report dated May 30, 2022. Our opinion is not modified in respect of this other matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government in terms of Section 143 (11) of the Act, we give in "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act and based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows statement dealt with by this report are in agreement with the books of account;
- d) In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act;
- e) On the basis of the written representations received from the directors as on March 31, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of Section 164 (2) of the Act;
- f) With respect to the adequacy of the internal financial controls over the financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting; and
- g) With respect to the other matters to be included in the auditor's report in accordance with the requirements of section 197(16) of the Act, as amended, we report that in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations as at March 31, 2023, on its financial position in its Standalone Financial Statements - Refer notes 19A, 19B and 39 to the Standalone Financial Statements.
 - ii. The Company has made provision, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There were no amounts that were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified

in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the

circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement; and

- v. The dividend for the previous year, declared and paid by the Company during the year ended 31st March 2023 is in accordance with section 123 of the Act, as applicable.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023

SHARP & TANNAN ASSOCIATES
Chartered Accountants
Firm’s Registration No.: 0109983W
by the hand of

CA Parthiv S Desai
Partner
Membership No.: (F) 042624
UDIN - 23042624BGYOXD7016

Mumbai, May 26, 2023

Annexure A to Independent Auditor's Report

Annexure A to the independent auditor's report on the standalone financial statements of Forbes & Company Limited for the year ended 31st March 2023

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

- (i) (a) According to the information and explanation given to us and records examined by us;
- (A) The Company is maintaining proper records showing full particulars, including quantitative details and the situation of the Property, Plant and Equipment (PPE) of the Company.
- (B) The Company is maintaining proper records showing full particulars of the Intangible assets of the Company.
- (b) The Company has a program of verification of PPE to cover all the items once in two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, all the PPE were physically verified by the Management during the previous year. According to the information and explanations given to us, no material discrepancies were noticed in such verification.
- (c) we report that the title deeds, comprising all the immovable properties of land and buildings, (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), are held in the name of the Company as on balance sheet date, except for the following:

Description of property	Gross carrying value (Rs. in Lakhs)	Title deeds held in the name of	Whether the title deed holder is a promoter, director or their relative or employee	Period held - indicate the range, where appropriate (years)	Reason for not being held in the name of the Company
Land and buildings in Mumbai and Delhi	19.08	Gokak Patel Volkart Limited	No	14	Administrative procedures for the change of name from Gokak Patel Volkart Limited, 2nd erstwhile name of the Company have not been carried out.
Land, factory building and office premises at Mumbai, Thane, Ahmedabad, Bangalore and Chennai*	1,624.96	Forbes Gokak Limited	No	8-60	Administrative procedures for the change of name from Forbes Gokak Limited, the 3rd erstwhile name of the Company have not been carried out.
Premises at Chennai*	40.76	Facit Asia Limited	No	13	Administrative procedures for the change of name from Facit Asia Limited (FAL) have not been carried out. FAL was merged with FAL Industries Limited (this entity was subsequently merged with Forbes Gokak Limited, the Company's 3rd erstwhile name).
Premises at Tuticorin	27.36	Volkart India Limited	No	14	Administrative procedures for the change of name from Volkart India Limited (VIL) have not been carried out. VIL merged with Patel Volkart Limited which was subsequently amalgamated with Gokak Mills Limited, the Company's 1st erstwhile name.

* Also includes assets that are classified as held of sales during the year - refer note 54 to the Standalone Financial Statements.

- (d) We report that the company has not made any revaluation of PPE (including Right of use assets) or intangible assets or both during the year. Accordingly, reporting on paragraphs 3 Clause (i) (d) of the Order is not applicable to the Company.
- (e) We report that there is no any proceeding have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting on paragraphs 3 Clause (i) (e) of the Order is not applicable to the Company.
- (ii) In our opinion and according to the information and explanations given to us;
- (a) the physical verification of inventory has been conducted at reasonable intervals by the management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. Inventory lying with the third parties has been substantially confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more and have been appropriately dealt with in the books of accounts. In the case of real estate work in progress, inventories have been physically verified by the management at reasonable intervals during the year by way of site visits and no material discrepancies were noticed on such physical verifications.
- (b) during the year company has renewed/sanctioned its working capital facility in excess of five crores rupees, in the aggregate, from banks on the basis of security of current assets; based on our verification of quarterly statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company.
- (iii) In our opinion and according to the information and explanations given to us;
- (a) During the year the Company has made investments in one subsidiary and one joint venture & given a loan to one subsidiary. The company has not provided security & a guarantee to the subsidiary, Associates & Joint ventures and other parties other than subsidiaries, associates & Joint ventures. The aggregate amount during the year, and the balance outstanding at the Balance Sheet date with respect to such investment made in the subsidiary, Joint venture & loans given to the subsidiary are as per the table given below:

(Rs. in lakhs)

Particulars	Guarantees	Investment	Loans
Aggregate amount during the year to subsidiaries/JVs			
- Subsidiary	-	5.00	3,185.00
- Joint Venture	-	250.00*	-
Balance outstanding as at Balance Sheet date in respect of the above case			
- Subsidiaries	69.33	-	#6,468.91

* Includes Rs. 249.50 lakhs as share application money.

The loan given by the company has been fully provided. This closing balances does not include the closing balances of loan amount receivable from subsidiaries carried from the effect of scheme of merger, however the same amount has been fully provided by the company in previous year.

- (b) In respect of the aforesaid investment made and loans given, the terms and conditions under which such loans were granted/ investments were made are not prejudicial to the Company's interest.
- (c) The loans given by the company are repayable on demand and fully provided. Therefore, the question of our commenting on the regularity of repayment of principal and payment of interest does not arise.
- (d) The loan given by the company are repayable on demand and fully provided since they are considered non-recoverable in view of the reasons stated in Note 8 C (2), 8 C (3), 43, 52. Therefore, the question of our commenting on whether there is any amount that is overdue for more than ninety days does not arise.
- (e) There were no loans/advances in the nature of the loan which fell due during the year and were renewed/extended. Further, no fresh loans were granted to the same parties to settle the existing overdue loans/advances in the nature of the loan.

- (f) Following loans were granted during the year, including to related parties under Section 2(76), which are repayable on demand or where no schedule for repayment of principal and payment of interest has been stipulated by the company.

(Rs. In Lakhs)

Particulars	All Parties	Promoters	Related Parties
The aggregate of loans/advances in nature of loan repayable on demand	3,185.00	-	3,185.00
Percentage of loans/advances in nature of loans to the total loans	49.23%	-	49.23%

- (iv) According to the information and explanation provided to us, in respect of loans, investments, guarantees and security, the Company has complied with provisions of Section 185 and Section 186 of the Act.
- (v) According to the information and explanations given to us, there is no public deposit as such in the company during the year and no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal. Accordingly, reporting on paragraphs 3 Clause (v) of the Order is not applicable to the Company.
- (vi) The Central Government has specified maintenance of cost records under Section 148(1) of the Act. We have broadly reviewed these records relating to materials, labour and other items of cost maintained by the Company and are of the opinion that prima facie, the prescribed cost accounts and records have been prepared and maintained. We have not however made a detailed examination of records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) in our opinion, the Company is regular in depositing the undisputed statutory dues, including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess, and other material statutory dues, as applicable, with the appropriate authorities as per the records of the company examined by us. Also, refer to note 39 (2) to the standalone financial statements regarding management's assessment of certain matters relating to the provident fund.
- (b) There are no statutory dues referred to in sub-clause (a) as at March 31, 2023, which have not been deposited on account of a dispute, except as mentioned below:

(Rs. in Lakhs)

Name of the Statute	Nature of dues	Period to which the amount relates	Forum where the dispute is pending	Amount involved	Amount demanded after netting-off amount paid under protest
The Income Tax Act, 1961	Income Tax	Assessment Year 2001-02	Commissioner of Income Tax (Appeals), Income Tax Appellate Tribunal	14.97	14.97
The Finance Act, 1994	Service Tax (including interest and penalty, as applicable)	Financial Years 2007-08 to 2012-13	Customs, Excise & Service Tax Appellate Tribunal	2,385.60	2,293.35
		Financial Year 2005-06, to 2012-13	Commissioner of Service Tax	1,038.89	1,038.89
The Customs Act, 1962	Penalty	Financial Year 2011-12	Hon'High Court of Kerala	100.00	100.00
	Interest on duty	Various Year	Hon'High Court Madara, Asst. Comm. Chennai	87.84	87.84
The Central Excise Act, 1944	Excise Duty (including interest and penalty)	Financial Years 2005-06 and 2006-07	Customs, Excise & Service Tax Appellate Tribunal	2,724.52	2,724.52
Sales Tax Laws	Sales Tax (including interest and penalty, as applicable)	Financial Years 1990-91 to 1994-95, 1997-98 to 2006-07, 2007-08 & 2008-09.	Appellate Authority – up to Sales Tax Appellate Tribunal	430.84	400.12

Name of the Statute	Nature of dues	Period to which the amount relates	Forum where the dispute is pending	Amount involved	Amount demanded after netting-off amount paid under protest
Employees Provident Fund and Misc. Provisions Act, 1952	Damages	1996-2014	The Central Government Industrial Tribunal at Mumbai	16.81	16.81
Good and Service Tax Act, 2017	Interest on GST	December 2017 to June 2019	Dy. Commissioner of GST	88.64	88.64

- (viii) According to the information & explanations given to us and the records examined by us, there are no such transactions that are not recorded in the books of account, which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Accordingly, reporting on paragraph 3 clause (viii) of the Order is not applicable to the Company.
- (ix) According to the information and explanations given to us and the records examined by us;
- the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
 - the company has not been declared a wilful defaulter by banks or financial institutions or other lenders Accordingly, reporting on paragraph 3 clause (ix) (b) of the Order is not applicable to the Company.
 - In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were obtained.
 - According to the information and explanations given to us, the procedures performed by us, and on an overall examination of the financial statements of the company, we report that no funds raised on a short-term basis have been used for long-term purposes by the company.
 - According to the information and explanations are given to us and on an overall examination of the financial statements of the company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
 - According to the information and explanations given to us and procedures performed by us, we report that
- the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Accordingly, reporting on paragraph 3 clause (ix) (f) of the Order is not applicable to the Company.
- According to the information and explanations given to us and the records examined by us,
 - In our opinion and according to the information and explanations given to us, the Company has not raised money by way of an initial public offer or further public offer (including debt instruments). Accordingly reporting on paragraph 3 clause (x) (a) is not applicable to the company.
 - During the year the Company has not made preferential allotment as per the provision of the act and regulation made by the securities exchange board of India and the requirements of section 42 and section 62 of the Companies Act, 2013 have been complied with. During the year the company has not made the private placement of shares or convertible debentures (fully, partially or optionally convertible). Accordingly reporting on paragraph 3 clause (x) (b) of the order is not applicable to the company.
 - According to the information and explanations given to us and during the course of our examination of the books and records of the company,
 - Carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have been informed of any such case by the management.
 - Carried out in accordance with the generally accepted auditing practices in India, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13

- of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the company.
- (c) Carried out in accordance with the generally accepted auditing practices in India, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the company.
- (xii) The Company is not a Nidhi Company and hence reporting under paragraph 3 clause (xii) (a), (b) and (c) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable Ind AS.
- (xiv) According to the information and explanations given to us and the records examined by us,
- (a) the company has an internal audit system commensurate with the size and nature of its business.
- (b) we have considered the internal audit reports of the company issued till the balance sheet date, for the period under audit.
- (xv) According to the information and explanations given to us, in our opinion during the year the company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence reporting on compliance with the provisions of section 192 of the Companies Act, 2013 under clause 3(xv) of the order is not applicable to the company.
- (xvi) According to the information and explanations given to us and the records examined by us,
- (a) the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting on paragraph 3 Clause (xvi)(a) of the order is not applicable to the company.
- (b) the Company has not conducted non-banking financial/housing finance activities during the year. Accordingly, reporting on paragraph 3 Clause (xvi)(b) of the order is not applicable to the company.
- (c) the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, reporting on paragraph 3 Clause (xvi) (c) of the order is not applicable to the company.
- (d) The group has five unregistered Core Investment Companies (CICs) as part of the Group as detailed in note 60(iii) to the standalone financial statements. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.
- (xvii) In our opinion and according to the information and explanations given to us, the company has not incurred cash losses in the current year as well as for the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly, reporting on paragraph 3 Clause (xviii) of the order is not applicable to the company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, and other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of the balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) According to the information and explanation given to us and on the basis of the accounts and records examined by us,
- (a) we report that the company has calculated the CSR liability as per section 135 of the act and has transferred the amount remaining unspent to the Fund specified in Schedule VII to the Act before the date of our audit report.

(Rs. in Lakhs)

Financial Year	Amount to be spent in accordance with section 135(5)	The amount remaining unspent at the year-end is to be transferred to the fund under Sch. VII	The amount transferred to Fund under Sch. VII, within 6 months from the end of the financial year (or till the date of the audit report, if that is earlier)	The amount transferred to Fund under Sch. VII, after 6 months from the end of the financial year (or till the date of the audit report, if that is earlier)	Amount not transferred to Fund under Sch. VII, till the date of the audit report
2022-23	28.05	9.34	9.34	-	-

(b) In respect of ongoing projects, as at the balance sheet date, the company does not have any amount remaining unspent under section 135(5) of the Act. Accordingly, reporting under Paragraph 3 clause (xx) (b) of the order is not applicable to the company.

(xxi) The reporting under paragraph 3 clause (xxi) of the Order is not applicable in respect of the audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

SHARP & TANNAN ASSOCIATES
Chartered Accountants
Firm's Registration No.: 0109983W
by the hand of

CA Parthiv S Desai
Partner

Membership No.: (F) 042624
UDIN - 23042624BGYOXD7016

Mumbai, May 26, 2023

Annexure B to Independent Auditor's Report

Annexure B to the independent auditor's report on the standalone financial statements of Forbes & Company Limited for the year ended 31st March 2023

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

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

We have audited the internal financial controls over financial reporting of Forbes & Company Limited (hereinafter referred to as "the Company") as of March 31, 2023, in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Board of Directors Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting

and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

SHARP & TANNAN ASSOCIATES
Chartered Accountants
Firm's Registration No.: 109983W
by the hand of

Mumbai, May 26, 2023

CA Parthiv S Desai
Partner
Membership No.: (F) 042624
UDIN - 23042624BGYOXD7016

BALANCE SHEET AS AT 31ST MARCH, 2023

Particulars	No.	₹ in Lakhs	As at 31st Mar., 2023 ₹ in Lakhs	As at 31st Mar., 2022 ₹ in Lakhs
Assets				
1 Non-current assets				
Property, plant and equipment	5		8,587.99	9,296.81
Right-of-use assets	45		530.52	41.15
Capital work-in-progress	5.1		182.80	81.82
Investment Properties	6		2,173.00	2,255.60
Other Intangible assets	7		115.36	149.01
Financial Assets:				
i) Investments				
Investments in subsidiaries	8A	3,659.86		3,654.86
Investments in associates	8B	5.88		5.88
Investments in joint ventures	8D	250.00		-
Other Investments	8C	5,120.58		0.18
			9,036.32	3,660.92
ii) Other financial assets	11A	124.48		145.74
			9,160.80	3,806.66
Tax assets				
i) Deferred tax assets (net)	20	1,458.83		2,173.19
ii) Income tax assets (net)	24	645.17		951.85
			2,104.00	3,125.04
Other non-current assets	14A		433.06	264.03
Total Non-current assets			23,287.53	19,020.12
2 Current assets				
Inventories	12		18,052.36	16,344.13
Financial Assets:				
i) Investments				
Investments	8F	1,418.67		-
ii) Trade receivables				
Trade receivables	9	2,923.88		3,144.30
iii) Cash and cash equivalents				
Cash and cash equivalents	13A	3,625.93		611.08
iv) Bank balances other than (ii) above				
Bank balances other than (ii) above	13B	1,812.38		289.21
v) Loans				
Loans	10B	10.61		0.83
vi) Other financial assets				
Other financial assets	11B	243.51		96.01
			10,034.98	4,141.43
Other current assets	14B		1,436.57	1,067.26
			11,471.55	5,208.69
Asset classified as held for sale	54		8.11	5,171.79
Total Current assets			29,532.02	26,724.61
Total Assets			52,819.55	45,744.73

BALANCE SHEET AS AT 31ST MARCH, 2023

Particulars	No.	₹ in Lakhs	As at 31 st Mar., 2023 ₹ in Lakhs	As at 31 st Mar., 2022 ₹ in Lakhs
Equity and Liabilities				
Equity				
Equity share capital	15	1,289.86		1,289.86
Other equity	16	19,395.31		2,612.34
Total Equity			20,685.17	3,902.20
Liabilities				
1 Non-current liabilities				
Financial liabilities:				
i) Borrowings	17	1,012.95		5,548.20
ii) Lease liability	45	527.61		19.38
iii) Other financial liabilities	18A	254.49		139.50
			1,795.05	5,707.08
Provisions	19A	752.36		536.06
Total Non-current liabilities			2,547.41	6,243.14
2 Current liabilities				
Financial liabilities:				
i) Borrowings	22	243.25		4,620.56
ii) Lease liability	45	11.94		6.80
iii) Trade payables	23			
a) total outstanding dues of micro enterprises and small enterprises; and		678.67		550.98
b) total outstanding dues of creditors other than micro enterprises and small enterprises		3,111.53		4,179.79
iv) Other financial liabilities	18B	1,278.13		4,529.73
			5,323.52	13,887.86
Other current liabilities	21	24,134.98		21,274.56
Provisions	19B	71.13		436.97
Current tax liabilities (net)	24	57.34		-
Total Current Liabilities			29,586.97	35,599.39
Total Liabilities			32,134.38	41,842.53
Total Equity and Liabilities			52,819.55	45,744.73

Significant Accounting Policies 2

The accompanying notes form an integral part of the financial statements 3 - 62

In terms of our report of even date

For Sharp & Tannan Associates

Firm Registration No. 0109983W

Chartered Accountants

Parthiv S. Desai

Partner

Membership Number: (F).042624

NIRMAL JAGAWAT
Chief Financial OfficerRUPA KHANNA
Company Secretary
Membership No : A33322**For and on behalf of the Board of Directors**

M. C. TAHILYANI

Managing Director

DIN : 1423084

JAI L. MAVANI

Director

DIN : 05260191

Place: Mumbai

Date: 26th May, 2023

Place: Mumbai

Date: 26th May, 2023

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2023

Particulars	No.	₹ in Lakhs	Year ended	Year ended
			31 st Mar., 2023	31 st Mar., 2022
			₹ in Lakhs	₹ in Lakhs
I Revenue from operations	25	24,780.85		23,504.51
II Other income	26	21,392.71		1,369.85
III Total Income (I + II)			46,173.56	24,874.36
IV Expenses:				
Real estate development costs	27	2,763.20		2,511.49
Cost of materials consumed	28A	9,227.19		8,166.13
Purchases of stock-in-trade		354.48		273.25
Changes in inventories of finished goods, work-in-progress and stock-in-trade	28B	(2,874.65)		(2,214.24)
Employee benefits expenses	29	5,128.84		4,880.26
Finance costs	30	818.44		1,234.64
Depreciation and amortisation expense	31	1,362.47		1,307.79
Other expenses	32A	7,576.89		6,570.56
Total expenses (IV)			24,356.86	22,729.88
V Profit before exceptional items and tax (III - IV)			21,816.70	2,144.48
VI Exceptional items (net)	32B		2,905.39	4,10,091.01
VII Profit / (loss) before tax (V + VI)			24,722.09	4,12,235.49
VIII Tax expense / (credit):				
(a) Current tax	33	269.66		-
(b) (Excess) / short provision for tax of earlier years	33	51.80		-
(c) Deferred tax	33	541.47		(1,058.72)
			862.93	(1,058.72)
IX Profit / (loss) for the year (VII- VIII)			23,859.16	4,13,294.21
X Other Comprehensive Income				
(i) Items that will not be reclassified to Statement of Profit and Loss				
(a) Remeasurement of the defined benefit plans			5.68	21.59
(b) Fair value changes on Equity instruments through other comprehensive income			1,475.13	-
(ii) Income Taxes relating to items that will not be reclassified to Statement of Profit and Loss				
(a) Deferred Tax Expenses			(172.90)	-
			1,307.91	21.59
XI Total Comprehensive Income / (Loss) for the year (IX + X)			25,167.07	4,13,315.80
XII Earning per equity share :				
Basic and diluted earnings per equity share (After exceptional items)	34		₹ 184.95	₹ 3,203.83
Basic and diluted earnings per equity share (Before exceptional items)			₹ 162.43	₹ 24.83
Significant Accounting Policies	2			
The accompanying notes form an integral part of the financial statements	3 - 62			

In terms of our report of even date

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

Parthiv S. Desai
Partner
Membership Number: (F).042624

NIRMAL JAGAWAT
Chief Financial Officer

RUPA KHANNA
Company Secretary
Membership No : A33322

Place: Mumbai
Date: 26th May, 2023

For and on behalf of the Board of Directors
M. C. TAHILYANI
Managing Director
DIN : 1423084

JAI L. MAVANI
Director
DIN : 05260191

Place: Mumbai
Date: 26th May, 2023

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2023

Particulars	Year ended 31 st Mar., 2023 ₹ in Lakhs	Year ended 31 st Mar., 2022 ₹ in Lakhs
Cash flows from operating activities		
Profit before tax	24,722.09	4,12,235.49
Adjustments for -		
Depreciation and amortisation expense	1,362.47	1,307.59
Interest income earned on financial assets that are not designated as at fair value through profit or loss :		
(i) Bank deposits	(159.23)	(57.68)
(ii) Inter-corporate deposits	(3.36)	(18.83)
Interest on Income Tax/ Wealth Tax refund	(20.55)	-
Finance costs	818.44	1,234.51
Dividend Income from long-term investments	-	-
(Gain)/loss on disposal of property, plant and equipment	(20,983.59)	(345.79)
(Recoveries) / Provision for doubtful trade receivables	-	(79.01)
Provision for doubtful trade receivables	26.74	-
Provision for doubtful loans and advances	55.82	2.34
Advances written off	-	26.25
Trade receivables written off	-	1.00
Gain on fair value / interest on long-term investments in a subsidiaries	-	(158.37)
Credit balances / excess provision written back	(19.47)	(84.85)
Gain on sale of current investment	(106.38)	-
Net unrealised exchange loss	(45.15)	(13.67)
	(19,074.26)	1,813.49
Exceptional items:		
- Provision for disputed matters	-	230.19
- Investment Written off	(145.22)	-
- Profit on sale of Investment in FFSP	(3,200.41)	-
-Provision for doubtful trade receivables	1.49	-
-Provision for doubtful Contractually reimbursable expenses to related parties	19.56	-
-Provision for doubtful loans and advances	419.19	-
- Impairment of investments, loans (Including interest accrued thereon) and other receivables in a subsidiary/ Provision for Guarantees given to a subsidiary (Forbes Technosys Limited)	-	7,517.23
- Impairment of Investments in a subsidiary (Shapoorji Pallonji Forbes Shipping Limited)	-	3,305.13
- Notional income on early redemption of debentures	-	(1,203.49)
- Impairment of loans, financial assets and receivables in a subsidiary (Lux Group)	-	32,935.67
- Notional gain on distribution of demerged undertaking to owners	-	(4,52,875.74)
	(2,905.39)	(4,10,091.01)
	(21,979.65)	(4,08,277.52)
Operating profit before working capital changes	2,742.44	3,957.97
Changes in working capital:		
(Increase) /decrease in trade and other receivables	126.47	999.41
(Increase) /decrease in inventories	(1,708.23)	(3,016.16)
(Increase)/ decrease in other assets	(889.11)	(256.58)
Increase /(decrease) in trade and other payables	(864.64)	(978.06)
Increase /(decrease) in provisions	(394.36)	(85.07)
Increase /(decrease) in other liabilities	6,927.68	5,160.84
	3,197.81	1,824.38
Cash inflow / (outflow) from operations	5,940.25	5,782.35
Income taxes (paid)/ refunds received (net)	424.34	468.10
(a) Net cash flow inflow / (outflow) from operating activities	6,364.59	6,250.45
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)	(997.39)	(3,197.06)
Advance received in relation to assets held for sale	-	4,000.00
Proceeds from disposal of property, plant and equipment	19,044.23	477.44
Purchase / subscription of long-term investments		
- in subsidiaries	(5.00)	-
- Equity Investment in Joint Ventures	(0.50)	-
- Share application money in Joint Ventures	(249.50)	-
- others	(3,645.27)	-
Proceeds from sale / capital reduction of long-term investments		
- Subsidiary	3,659.10	-
- Joint Venture	2,900.00	-
Purchase of current investments	(1,373.51)	-

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2023

Particulars	Year ended 31 st Mar., 2023 ₹ in Lakhs	Year ended 31 st Mar., 2022 ₹ in Lakhs
Proceeds from sale of current investments	61.22	-
Inter Corporate Deposits given to related parties	(3,266.00)	(4,733.28)
Amount received on capital reduction in a subsidiary	1.32	28.85
Amount received on redemption of preference shares	-	1,728.00
Bank balances not considered as cash and cash equivalents	(1,523.17)	(29.44)
Interest received	141.15	77.59
(b) Net cash inflow / (outflow) from investing activities	14,746.68	(1,647.90)
Cash flows from financing activities:		
Proceeds from long-term borrowings	-	2,019.98
Repayment of long-term borrowings	(8,912.56)	(5,541.09)
Net Increase in cash credit, overdraft balances, credit card facilities and commercial papers	-	(1,422.11)
Finance costs paid (Refer below Note 4)	(770.23)	(1,190.53)
Payment of Lease Liabilities	(69.99)	(28.13)
Dividend paid on equity shares *	(8,343.64)	(0.12)
(c) Net cash inflow / (outflow) from financing activities	(18,096.42)	(6,162.00)
(d) Net increase/ (decrease) in cash and cash equivalents (a + b + c)	3,014.85	(1,559.45)
(e) Cash and cash equivalents as at the commencement of the year	611.08	2,170.53
(f) Cash and cash equivalents as at the end of the year (d + e) (Refer Note 13A)	3,625.93	611.08
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., 2023 ₹ in Lakhs	31st Mar., 2022 ₹ in Lakhs
Balances with bank		
- In current accounts	1,064.54	549.43
- In EEFC Accounts	24.80	61.65
- In deposit accounts (with original maturity upto 3 months)	2,536.59	-
Cheques, drafts on hand	-	-
Cash on hand	-	-
Balances as per statement of cash flows	3,625.93	611.08

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 confirm to current year classification.
- Other bank balances at the end of the year includes: (i) earmarked balances towards unpaid dividends ₹ 64.75 Lakhs (*Previous year ₹ 24.30 Lakhs*) and (ii) margin money deposits ₹ 372.33 Lakhs (*Previous year ₹ 259.81 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 interest expense on loans for real estate development activities amounting to ₹ Nil (*Previous year ₹ 52.75 Lakhs*).

* Amount is below rounding off norms of the company

The accompanying notes form an integral part of the financial statements

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In terms of our report of even date

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

Parthiv S. Desai
Partner
Membership Number: (F).042624

NIRMAL JAGAWAT
Chief Financial Officer

RUPA KHANNA
Company Secretary
Membership No : A33322

Place: Mumbai
Date: 26th May, 2023

For and on behalf of the Board of Directors
M. C. TAHILYANI
Managing Director
DIN : 1423084

JAI L. MAVANI
Director
DIN : 05260191

Place: Mumbai
Date: 26th May, 2023

Statement of changes in Equity for the year ended 31st March, 2023

a. Equity share capital

₹ in Lakhs

Particulars	Amount
Balance as at 31st March, 2021	1,289.86
Changes in equity share capital	-
Balance as at 31st March, 2022	1,289.86
Changes in equity share capital	-
Balance as at 31st March, 2023	1,289.86

b. Other equity

₹ in Lakhs

Particulars	Reserves and surplus				
	General Reserves	Capital Reserve	Other Comprehensive Income	Retained earnings	Total
Balance as at 31st March, 2021	16,188.60	-	(28.16)	(399.35)	15,761.09
Profit / (loss) for the year	-	-	-	4,13,294.21	4,13,294.21
Other comprehensive income / (loss) for the year, net of income tax	-	-	-	-	-
Total comprehensive income / (loss) for the year	-	-	-	4,13,294.21	4,13,294.21
Deemed Dividend (Notional)	-	-	-	(4,06,600.00)	(4,06,600.00)
Impact of merger as per the composite scheme of arrangement	23,765.85	619.09	-	50,294.18	74,679.12
Capital reserve created on merger	-	(94,522.08)	-	-	(94,522.08)
Balance as at 31st March, 2022	39,954.45	(93,902.99)	(28.16)	56,589.04	2,612.34
Profit / (loss) for the year	-	-	-	23,859.16	23,859.16
Other comprehensive income for the year	-	-	1,307.91	-	1,307.91
Payment of dividends on equity shares	-	-	-	(8,384.10)	(8,384.10)
Total comprehensive income / (loss) for the year	-	-	1,307.91	15,475.06	16,782.97
Balance as at 31st March, 2023	39,954.45	(93,902.99)	1,279.75	72,064.10	19,395.31

For significant accounting policies, Refer Note 2

The accompanying notes form an integral part of the financial statements

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In terms of our report of even date

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

Parthiv S. Desai
Partner
Membership Number: (F).042624

NIRMAL JAGAWAT
Chief Financial Officer

RUPA KHANNA
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For and on behalf of the Board of Directors
M. C. TAHILYANI
Managing Director
DIN : 1423084

JAI L. MAVANI
Director
DIN : 05260191

Place: Mumbai
Date: 26th May, 2023

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued**1. GENERAL INFORMATION**

Forbes & Company Limited (“the Company”) is one of the oldest companies of the world. The Company traces its origin to the year 1767 when John Forbes of Aberdeenshire, Scotland started his business in India. Over the years, the Management of the Company moved from the Forbes Family to the Campbells to the Tata Group and now finally to the well known Shapoorji Pallonji Group. Its parent and ultimate holding company is Shapoorji Pallonji and Company Private Limited. The Company is mainly engaged in the business of manufacturing and trading of engineering products, real estate development projects and leasing of premises. It is listed on the Bombay Stock Exchange. The address and registered office and principal place of business are disclosed in the Annual Report.

2. SIGNIFICANT ACCOUNTING POLICIES**i) Statement of Compliance with Ind AS**

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

These financial statements are presented in addition to the consolidated financial statements presented by the Company.

ii) Basis of Preparation and Presentation

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

- Certain financial assets and liabilities (including derivative instruments) is measured at fair value;
- assets held for sale - measured at fair value less cost to sell or their carrying amount whichever is lower;
- defined benefit plans - plan asset measured at fair value

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

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability

All assets and liabilities have been classified as current or non-current as per the Company’s normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products/activities of the Company and the normal time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for engineering business and 48 months for real estate business for the purpose of classification of its assets and liabilities as current and non current .

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

iii) Investments in subsidiaries, associates and joint ventures**Subsidiaries:**

Subsidiaries are all entities over which the Company has control, including through its subsidiaries. Control is achieved when the Company has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to use its power to affect its returns.

Investments in subsidiaries are accounted at cost less provision for impairment.

Associates:

An associate is an entity over which the Company has significant influence but not control or joint control. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Investments in associates are accounted at cost less provision for impairment.

Joint Arrangements:

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Company had joint ventures.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement.

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Investments in Joint ventures are accounted at cost less provision for impairment.

The Company has elected the exemption of previous GAAP carrying value of all its investments in subsidiaries, associates and joint ventures recognised as of 1st April, 2015 (transition date) as deemed cost except in case of Shapoorji Pallonji Forbes Shipping Limited.

iv) Property, Plant and Equipment

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

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

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

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

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

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

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

Sr. No.	Class of assets	Estimated useful life
a	Building including investment properties	10 - 60 years
b	Plant and Equipment	10 - 15 years
c	Furniture and Fixtures	10 years
d	Vehicles	4 years
e	Office equipment, Data processing equipments:-	
	- Owned	Office equipments 5 years and Data processing equipments 3 to 5 years.
	- Leased	Lower of lease term and useful life as stated above
f	Buildings on leasehold land (including investment properties)	Lower of the useful life in the range of 30 - 60 years and the lease term building useful life is based on technical certification
g	Temporary structures (included in building)	4 years
h	Solar Power Plant	25 years

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

v) Capital work-in-progress

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

vi) Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs and where applicable borrowing cost. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16's requirements for cost model, other than those that meet the criteria to be classified as held for sale shall be measured in accordance with Ind AS 105.

The estimated useful life of lease hold land is equivalent to the lease term.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss in the period in which the property is derecognised.

vii) Intangible Assets

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

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

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

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

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

viii) Intangible assets under development

Expenditure on development eligible for capitalisation is carried as intangible assets under development where such assets are not yet ready for their intended use.

ix) Impairment of Assets

The Company assesses at end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount (cash generating unit). The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the Balance Sheet date there

is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the lower of recoverable amount and the carrying amount that would have been determined had no impairment loss been recognised. Non financial asset other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating unit).

x) Deemed cost for property, plant and equipment, investment property and intangible assets

The Company has elected to continue with the carrying value of all of its property, plant and equipment, investment properties and intangible assets recognised as of 1st April, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

xi) Financial instruments

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

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

Financial assets

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

Classification:

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

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

All other financial assets are subsequently measured at fair value.

Effective interest method

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

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

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

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

Impairment of financial assets

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

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

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

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

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

Derecognition of financial assets**A financial asset is derecognised only when**

- The contractual rights to the cash flows from the financial asset expire, or
- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.
- The company has no obligation to pay amounts to the eventual recipients unless it collects equivalent amounts from the original asset. Short-term advances by the company with the right of full recovery of the amount lent plus accrued interest at market rates do not violate this condition.
- The company is prohibited by the terms of the transfer contract from selling or pledging the original asset other than as security to the eventual recipients for the obligation to pay them cash flows.
- The company has an obligation to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents (as defined in Ind AS 7 Statement of Cash Flows) during the short settlement period from the collection date to the date of required remittance to the eventual recipients, and interest earned on such investments is passed to the eventual recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

ownership of the financial asset. In such cases, the financial asset is derecognised.

Foreign exchange gains and losses

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

Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

Financial liabilities

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

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

Derecognition of financial liabilities

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

non-cash assets transferred or liabilities assumed, and payable is recognised in the Statement of Profit and Loss.

Derivative financial instruments

The Company enters into derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the Statement of Profit and Loss immediately.

Offsetting financial instruments

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

Financial guarantee contracts

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

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

xii) Inventories

Inventories are valued at the lower of the acquisition / production cost and net realisable value. Costs of inventories are determined on weighted average basis. Raw materials and stores, work in progress, traded and finished goods are stated at the lower of cost and net realisable value. Cost of raw materials

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

and traded goods comprises cost of purchases. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition.

Real estate development work-in-progress :-

Cost of real estate business is charged to the Statement of Profit and Loss in proportion to the revenue recognised during the year and the balance cost is carried forward as “Real Estate Work in Progress” under Note 12 Inventories.

Real estate development work-in-progress cost includes construction and development cost, allocated interest and other overheads related to projects under construction and is valued at lower of cost and net realizable value

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

xiii) Earnings per share

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

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

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

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

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

b) Other long-term employee benefits

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

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

c) Post-employment obligations

The Company operates the following post-employment schemes

- Defined Contribution plans such as superannuation and employee state insurance scheme.
- Defined Benefit plans such as gratuity, provident fund, post-retirement medical benefits and non-compete fees (eligible whole-time directors and on their demise their spouses are entitled to medical benefits subject to certain limits and fixed monthly payment as non-compete fee).

Defined Contribution Plans

The Company’s contribution to superannuation fund, pension and employee state insurance scheme are considered as defined contribution plans, as the Company does not carry any further obligations apart from the contributions made on a monthly basis and are charged as an expense based on the amount of contribution required to be made.

In case of Superannuation, contributions are made to the Life Insurance Corporation of India (LIC).

Defined Benefit Plans

In case of Provident fund, contributions are made to a Trust administered by the Company. The liability or asset recognised in the Balance Sheet in respect of defined benefit gratuity, post-retirement medical benefits and non-compete fees plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated by actuaries using the projected unit credit method.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

Eligible employees receive benefits from a provident fund which is defined benefit plan. The employees of the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employees' salary. The Company contributes a part of the contributions to Forbes & Company Ltd. Employees Provident Fund. The rate at which the annual interest is payable to the beneficiaries by the Trust is being determined by the Government. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate. Any obligation in this respect is measured on the basis of an independent actuarial valuation. The remaining portion is contributed to the Government administered pension fund in respect of which the Company has no further obligations. Prepaid contributions are recognised as an asset to the extent that a cash refund or reduction in the future payments are available.

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

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

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

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

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

xv) Provisions and Contingent Liabilities

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

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

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

Onerous Contracts

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

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

xvi) Revenue recognition

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

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

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued**1 Sale of goods:**

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

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

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

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

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

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

2 Interest and Dividend Income:

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

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

3 Export Incentives:

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

4 Revenue from real estate contracts:

In respect of real estate development projects undertaken by the Company, the control of real estate units is said to be satisfied over time, if any one of the following criteria is met:

- a) The customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs
- b) The entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced
- c) The entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date

In all other cases, where the above criterias for satisfaction of performance obligation and recognising revenue over time are not met, revenue would be recognised when control of the real estate units has been transferred and there is no unfulfilled obligation which could affect the customer's acceptance of the real estate units. Considering the terms of the contract, revenue is recognised at a point in time when:

- The Company has transferred to the customer all significant risk and rewards of ownership and the Company retains no effective control of the real estate unit to a degree usually associated with ownership;
- The Company has handed over possession of the real estate unit to the customer or deemed possession based on the contract with the customer;
- No significant uncertainty exists regarding the amount of consideration that will be derived from the sale of the real estate unit;
- It is not unreasonable to expect ultimate collection of revenue from customer

Revenue is measured as the fair value of consideration which the Company expects to be entitled to in exchange of transferring the property to the customer (excluding amounts collected on behalf of third parties e.g. taxes). Revenue is recognized with respect to executed sales contracts on transfer of control of the real estate units to the customers

xvii) Foreign currency transactions and balances

In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency viz. Indian Rupee are recognised at the rates of exchange prevailing at the dates of the transactions. At the

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

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

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

xviii) Lease accounting

As a lessee:

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

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

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

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

To determine the incremental borrowing rate, the Company:

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

The Company is exposed to potential future increases in variable lease payments based on index or rate, which are not included in the lease liability until they take effect. When adjustment to lease payments based on index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

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

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

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

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

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

As a lessor:

Lease income from operating leases where the Company is a lessor is recognized in income on a straight line basis over the lease term. Initial direct costs incurred in obtaining an operating leases are added to the carrying amount of the underlying asset

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

and recognized as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature. The Company did not need to make any adjustments to the accounting for assets held as a lessor as a result of adopting the new leasing standard.

xix) Taxes on Income

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

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

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

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

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

Current and deferred tax are recognised in the Statment of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. The Company recognises Minimum Alternate Tax credit under the

Income Tax Act, 1961 as an asset only when and to the extent there is convincing evidence that the Company will be liable to pay normal income tax during the specified period.

xx) Government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received. These are recognised in the Statement of Profit and Loss on a systematic basis over the period in line with the related costs.

xxi) Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets, which are assets that necessarily takes a substantial period of time to get ready for its intended use or sale, are added to the cost of those assets; until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

xxii) Segment Reporting

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

xxiii) Non-current assets held for sale

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

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

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

xxiv) Cash and cash equivalents

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

xxv) Principles of business combinations

The acquisition method of accounting under Ind AS is used to account for business combinations by the Company from the date of transition to Ind AS i.e. 1st April, 2015. Prior to the date of transition to Ind AS, business acquisitions have been accounted based on previous GAAP.

xxvi) Dividend

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

xxvii) Exceptional Items

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

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

3.1 Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see note 3.2 below), that the directors

have made in the process of applying the accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

3.1.1. The Svadeshi Mills Company Limited (Svadeshi) is not an associate of the Company although the Company owns a 23% ownership interest (including indirect) in Svadeshi, as the Assets of Svadeshi continue to be in the hands of the Official Liquidator, High Court, Bombay. The Review Petition had been filed against the Order dated 23rd February, 2016 whereby the Special Leave Petition (SLP) was dismissed. The said Review Petition filed before the Hon'ble Supreme Court was dismissed vide Order dated 26th August, 2016. The records of Svadeshi are in the custody of the Official Liquidator. Hence, the Company does not have significant influence over Svadeshi as Svadeshi is under liquidation.

3.2 Key sources of estimation uncertainty

3.2.1 Real Estate Development

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

3.2.2 Contingent Liabilities and Provisions

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

3.2.3 Useful life and residual value of Property, Plant and Equipment (including investment properties)

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

3.2.4 Fair value measurement and valuation process

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. The management of the Company determines the appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of an asset or a liability, the company uses market-observable data to the extent it is available. Where such inputs are not available, the Company engages third party qualified valuers to perform the valuation.

3.2.5 Impairment

Determining whether an asset is impaired requires as estimation of fair value/value in use. Such valuation requires the Company to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

3.2.6 Impairment of Trade Receivables

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

3.2.7 Defined Benefit Obligations

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

3.2.8 Deferred Tax Asset

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

4. ADOPTION OF NEW AND AMENDED INDIAN ACCOUNTING STANDARDS

(i) New and amended standards adopted by the Company

Ministry of Corporate Affairs (MCA), vide notification dated 23rd March, 2022, has made the following amendments to Ind AS which are effective 1st April, 2022:

- a. Ind AS 109: Annual Improvements to Ind AS (2021)
- b. Ind AS 103: Reference to Conceptual Framework
- c. Ind AS 37: Onerous Contracts - Costs of Fulfilling a Contract
- d. Ind AS 16: Proceeds before intended use Based on preliminary assessment,

the Company has adopted these amendments in its standalone financial statements.

The amendments listed above did not have any impact on the amounts recognized in prior periods or current period and are not expected to significantly affect the future periods.

(ii) New amendments issued but not effective

Ministry of Corporate Affairs (MCA), vide notification dated 31st March, 2023, has made the following amendments to Ind AS which are effective 1st April, 2023:

- a. Amendments to Ind AS 1, Presentation of Financial Statements where the companies are now required to disclose material accounting policies rather than their significant accounting policies.
- b. Amendments to Ind AS 8, Accounting policies, Changes in Accounting Estimates and Errors where the definition of 'change in account estimate' has been replaced by revised definition of 'accounting estimate'.
- c. Amendments to Ind AS 12, Income Taxes where the scope of Initial Recognition Exemption (IRE) has been narrowed down.

Based on preliminary assessment, the Company does not expect these amendments to have any significant impact on its standalone financial statements.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

5A. Property, plant and equipment (Own, unless otherwise stated) for the year ended 31st March, 2023.

₹ In Lakhs

	Building and structures *	Vehicles	Data processing equipments	Office equipments	Furniture and fixtures	Plant and equipment *	Data processing equipments (Finance Lease)	As at 31 st Mar., 2023
Cost or Deemed cost								
Balance at 1st April, 2022	4,124.98	71.49	304.57	193.78	188.41	9,356.48	1.02	14,240.72
Additions	109.80	-	19.66	15.55	-	332.43	-	477.44
Disposals	0.25	-	29.23	4.79	2.20	259.51	-	295.97
Transferred from Investment Properties	-	-	-	-	-	-	-	-
Balance at 31st March, 2023	4,234.54	71.49	295.00	204.54	186.21	9,429.40	1.02	14,422.19
Accumulated depreciation								
Balance at 1st April, 2022	432.94	23.89	111.42	181.41	151.73	4,041.52	1.02	4,943.92
Eliminated on disposals of assets	0.25	-	27.30	4.79	2.20	256.70	-	291.24
Depreciation expense for the year	165.12	17.38	55.75	6.95	6.63	929.68	-	1,181.52
Transferred from Investment Properties	-	-	-	-	-	-	-	-
Balance at 31st March, 2023	597.81	41.27	139.88	183.57	156.15	4,714.50	1.02	5,834.20
Carrying Amount								
Balance at 31st March, 2023	3,636.73	30.22	155.12	20.98	30.05	4,714.90	-	8,587.99

* Refer Note 17 & 49 for Assets pledged.

5B. Property, plant and equipment (Own, unless otherwise stated) for the previous year ended 31st March, 2022.

₹ In Lakhs

	Building and structures *	Vehicles	Data processing equipments	Office equipments	Furniture and fixtures	Plant and equipment *	Data processing equipments (Finance Lease)	As at 31 st Mar., 2022
Cost or Deemed cost								
Balance at 1st April, 2021	4,569.40	61.18	176.41	189.05	196.97	8,379.60	1.02	13,573.63
Additions	174.63	44.62	182.09	5.97	0.58	1,052.29	-	1,460.18
Disposals	672.63	34.31	53.93	1.24	9.14	75.41	-	846.66
Transferred from Investment Properties (Refer Note 6)	53.58	-	-	-	-	-	-	53.58
Balance at 31st March, 2022	4,124.98	71.49	304.57	193.78	188.41	9,356.48	1.02	14,240.73
Accumulated depreciation								
Balance at 1st April, 2021	834.87	45.67	126.74	173.32	146.16	3,151.36	1.02	4,479.14
Eliminated on disposals of assets	587.86	34.31	53.78	1.24	5.41	36.20	-	718.80
Depreciation expense for the year	155.59	12.53	38.46	9.33	10.98	926.35	-	1,153.24
Transferred from Investment Properties (Refer Note 6)	30.34	-	-	-	-	-	-	30.34
Balance at 31st March, 2022	432.94	23.89	111.42	181.41	151.73	4,041.51	1.02	4,943.92
Carrying Amount								
Balance at 31st March, 2022	3,692.04	47.60	193.15	12.37	36.68	5,314.97	-	9,296.81

* Refer Note 17 & 49 for Assets pledged.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

5.1 (a) Capital work-in-progress

₹ In Lakhs

Particulars	As at 1 st Apr., 2022	Additions	Amounts Capitalised	As at 31 st Mar., 2023
Capital work in progress	81.82	618.63	517.66	182.80

Previous year

Particulars	As at 1 st Apr., 2021	Additions	Amounts Capitalised	As at 31 st Mar., 2022
Capital work in progress	197.85	3,670.69	★ 3,786.72	81.82

★ Includes ₹ 2,277.08 lakhs paid towards Urban Land (Ceiling & Regulation) Act, 1976 premium for assets held for sale. Also refer Note 54.

(b) Capital work-in-progress - Ageing
Current year

₹ In Lakhs

	Amounts in capital work-in-progress for				
	Less than one year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	182.80	-	-	-	182.80
Projects temporarily suspended	-	-	-	-	-
Total	182.80	-	-	-	182.80

Previous year

	Amounts in capital work-in-progress for				
	Less than one year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	81.82	-	-	-	81.82
Projects temporarily suspended	-	-	-	-	-
Total	81.82	-	-	-	81.82

(c) There are no capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan.

(d) Title deeds of immovable properties not held in the name of the company :

Relevant line item in the Balance Sheet	Description of property	Gross carrying value (₹ in Lakhs)	Title deeds held in the name of	Whether title deed holder is a promoter, director or their relative or employee	Period held - indicate range, where appropriate (years)	Reason for not being held in the name of the Company
Property, plant and equipment and Investment Property	Land and building in Mumbai and Delhi	19.08	Gokak Patel Volkart Limited	No	14	Administrative procedures for change of name from Gokak Patel Volkart Limited, 2 nd erstwhile name of the Company has not been carried out.
Property, plant and equipment and Investment Property	Land, factory building and office premises at Mumbai, Thane, Ahmedabad, Bangalore and Chennai	1,624.96	Forbes Gokak Limited	No	8-60	Administrative procedures for change of name from Forbes Gokak Limited, the 3 rd erstwhile name of the Company has not been carried out.
Investment Property	Premises at Chennai	40.76	Facit Asia Limited	No	13	Administrative procedures for change of name from Facit Asia Limited (FAL) has not been carried out. FAL was merged with FAL Industries Limited (this entity was subsequently merged with Forbes Gokak Limited, the Company's 3 rd erstwhile name).

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

Relevant line item in the Balance Sheet	Description of property	Gross carrying value (₹ in Lakhs)	Title deeds held in the name of	Whether title deed holder is a promoter, director or their relative or employee	Period held - indicate range, where appropriate (years)	Reason for not being held in the name of the Company
Investment Property	Premises at Tuticorin	27.36	Volkart India Limited	No	14	Administrative procedures for change of name from Volkart India Limited (VIL) has not been carried out. VIL merged with Patel Volkart Limited which was subsequently amalgamated with Gokak Mills Limited, the Company's 1 st erstwhile name.

6. Investment properties (Own, unless otherwise stated)

₹ In Lakhs

	As at 31 st Mar., 2023	As at 31 st Mar., 2022
Completed investment properties	2,173.00	2,255.60
Total	2,173.00	2,255.60

Cost or Deemed Cost		
Balance at 1 st April, 2022 / 1 st April, 2021	2,663.69	2,720.95
Disposals	16.59	3.68
Additions	-	-
Transferred to property, plant and equipment (Refer Note 5B)	-	53.58
Property classified as held for sale	8.11	-
Balance at 31st March, 2023 / 31st March, 2022	2,639.00	2,663.69

Accumulated depreciation		
Balance at 1 st April, 2022 / 1 st April, 2021	408.09	376.21
Transferred to property, plant and equipment (Refer Note 5B)	-	30.34
Disposals	3.37	0.80
Depreciation expense for the year	61.28	63.02
Balance at 31st March, 2023 / 31st March, 2022	466.00	408.09

Carrying amount		
Balance at 31 st March, 2023 / 31 st March, 2022	2,173.00	2,255.60

Notes:

- Investment properties (Cost) include jointly owned Residential Premises including land with carrying amount ₹ 1,551.52 Lakhs (*Previous year ₹ 1,551.52 Lakhs*) and Shares in Co-operative Housing Societies, Association of apartment owners and in a company aggregating ₹ 0.17 Lakh (*Previous year ₹ 0.17 Lakh*).
- Investment properties includes the rights in respect of the land and building at Fort, Mumbai with net carrying value of

₹ 231.50 Lakhs (*Previous year ₹ 270.08 Lakhs*) of which ₹ 36.13 Lakhs (*Previous year ₹ 42.15 Lakhs*) has been disclosed under property, plant and equipment (Refer Note 5A). The Company has received approval for lease for the period 25th September, 2006 to 24th September, 2036 for 30 years U/s. 92(K) of BMC Act 1888.

6.1 Fair value measurement of the Company's investment properties

The fair value of the Company's investment properties as at 31st March, 2023 and 31st March, 2022 have been arrived at on the basis of a valuation carried out as on the respective dates by V.S.Modi, independent valuer not related to the Company. V.S. Modi is registered with the authority which governs the valuers in India, and has appropriate qualifications and recent experience in the valuation of properties in the relevant locations. The fair value was determined based on the market comparable approach that reflects recent transaction prices for similar properties as well as other lettings of similar properties in the neighbourhood. In estimating the fair value of the properties, the highest and best use of the properties is their current use. Thus, the significant unobservable inputs are recent transaction price, taking into account the differences in location, and individual factors, such as frontage and size, between the comparables and the properties. Details of the Company's investment properties and information about the fair value hierarchy as at 31st March, 2023 and 31st March, 2022 are as follows:

₹ In Lakhs

Particulars	Level 3	
	As at 31 st Mar., 2023	As at 31 st Mar., 2022
Andhra Pradesh - Land	28.51	28.51
Delhi - Building	203.75	191.52
Gujarat - Land and Building	568.11	545.95
Kerala - Building	205.00	193.75
Maharashtra - Land and Building	62,063.71	61,578.95
Tamil Nadu - Land and Building	79.04	313.84
West Bengal - Building	686.83	641.95
Total	63,834.94	63,494.47

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

7. Other intangible assets (Own, unless otherwise stated)

₹ In Lakhs

	As at 31 st Mar., 2023	As at 31 st Mar., 2022
	Software / Licences acquired	Software / Licences acquired
Cost or Deemed cost		
Balance at 1 st April, 2022 / 1 st April, 2021	462.53	469.22
Additions during the year	40.22	49.47
Disposals	-	56.16
Balance at 31st March, 2023 / 31st March, 2022	502.75	462.53
Accumulated amortisation		
Balance at 1 st April, 2022 / 1 st April, 2021	313.52	304.20
Eliminated on disposals of assets	-	56.16
Amortisation charge for the year	73.87	65.48
Balance at 31st March, 2023 / 31st March, 2022	387.39	313.52
Carrying Amount		
Balance at 31st March, 2023 / 31st March, 2022	115.36	149.01

8. Non Current Investments

8A. Investments in Subsidiaries

₹ In Lakhs

Particulars	As at 31 st Mar., 2023		As at 31 st Mar., 2022	
	Qty	Amount	Qty	Amount
Unquoted Investments (all fully paid)				
a) Equity Instruments (at cost less impairment)				
1. Equity shares of ₹ 100 each in Volkart Fleming Shipping and Services Limited	50,385	6.82	50,385	6.82
2. Equity shares of ₹ 10 each in Forbes Campbell Finance Limited	38,64,131	1,781.78	38,64,131	1,781.78
3. Equity component in 0.1% Optionally Convertible Redeemable Debentures of Forbes Campbell Finance Limited (Refer Note 57)	-	1,686.26	-	1,686.26
4. Equity shares of ₹ 10 each in Forbes Technosys Limited (Refer Note 52) [Provision for impairment in value ₹ 73.00 Lakhs; (Previous year ₹ 7300.00 Lakhs)]	7,29,996	-	7,30,00,000	-
5. Equity shares of ₹ 10 each in Campbell Properties & Hospitality Services Limited	4,87,500	180.00	4,87,500	180.00
6. Equity component in Financial Guarantee given to Forbes Technosys Limited (Refer Note 52) [Provision for impairment in value ₹ 350.78 Lakhs; (Previous year ₹ 350.78 Lakhs)]	-	-	-	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

Particulars	As at 31 st Mar., 2023		As at 31 st Mar., 2022	
	Qty	Amount	Qty	Amount
7. 10% Optionally Redeemable compulsorily Convertible, Non cumulative Preference Shares of ₹ 10 each in Forbes Technosys Limited (Refer Note 52) [Provision for impairment in value ₹ 60.00 Lakhs; (Previous year ₹ 6,015.51 Lakhs)]	-	-	-	-
8. Equity component in Financial Guarantee given to Shapoorji Pallonji Forbes Shipping Limited	-	-	-	-
9. Equity shares of ₹ 10 each in Forbes Precision Tools & Machine Parts Ltd.	50,000	5.00	-	-
10. Equity shares of Euro 1 each in EFL Mauritius Limited (Refer Note 53)	15,001	-	15,001	-
11. Equity shares of CHF 1,000 each in Forbes Lux International AG (Refer Note 53)	33,500	-	33,500	-
b) Preference Shares (at amortised cost)				
1. Preference Shares of Euro 1 each fully paid up in EFL Mauritius Limited (Refer Note 53)	-	-	2,87,05,230	-
2. Zero Percent Redeemable Preference Shares of ₹ 10 each in Shapoorji Pallonji Forbes Shipping Limited (Refer Note 1)	-	-	-	-
3. FTL-6% Non-Cumm,Non-Convrt, redmble Pref shares	-	0.00	-	-
Total		3,659.86		3,654.86

8B. Investments in associates

Particulars	As at 31 st Mar., 2023		As at 31 st Mar., 2022	
	Qty	Amount	Qty	Amount
Unquoted Investments (all fully paid)				
Equity Instruments (at cost less impairment)				
1. Equity shares of ₹ 10 each in Neuvo Consultancy Services Limited	58,849	5.88	58,849	5.88
Total		5.88		5.88

**8C. Other investments
Non Current**

Particulars	As at 31 st Mar., 2023		As at 31 st Mar., 2022	
	Qty	Amount	Qty	Amount
Quoted Investments (all fully paid)				
Equity Instruments (at fair value through OCI)				
1. Equity shares of ₹ 10 each in Eureka Forbes Limited	12,00,000	5,120.40	-	-
TOTAL AGGREGATE QUOTED INVESTMENTS (A)		5,120.40		-
Unquoted Investments (all fully paid)				
Equity Instruments (at fair value through Profit or Loss)				
1. Equity shares of ₹ 10 each in New India Co-operative Bank Limited	5,500	0.05	5,500	0.05
2. Equity shares of ₹ 500 each in Tuticorin Chamber of Commerce [Provision for impairment in value ₹ 0.05 Lakhs; (Previous year ₹ 0.05 Lakhs)]	10	0.00 *	10	0.00 *

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

Particulars	As at 31 st Mar., 2023		As at 31 st Mar., 2022	
	Qty	Amount	Qty	Amount
3. Equity Shares of ₹ 10 each in Simar Port Private Limited	1,000	0.10	1,000	0.10
4. Equity shares of ₹ 10 each in The Svadeshi Mills Company Limited [Provision for impairment in value ₹150.33 Lakhs; (Previous year ₹150.33 Lakhs)] (Refer Note 43)	4,20,170	0.00 *	4,20,170	0.00 *
5. Equity shares of SGD 1 each in Forbes Container Lines Pte. Limited [Provision for impairment in value ₹ 271.26 Lakhs; (Previous year ₹271.26 Lakhs)] (Refer Note 2 below)	8,64,960	0.00 *	8,64,960	0.00 *
6. Equity shares of USD 1 each in Edumetry Inc. USA [Provision for impairment in value ₹ 35.48 Lakhs; (Previous year ₹ 35.48 Lakhs)] (Refer Note 4 below)	2,500	0.00 *	2,500	0.00 *
7. Equity shares of ₹ 25 each in Zoroastrian Co-operative Bank Limited	100	0.03	100	0.03
TOTAL AGGREGATE UNQUOTED INVESTMENTS (B)		0.18		0.18
Total (A + B)		5,120.58		0.18

*Amount is below the rounding off norm adopted by the Company.

Notes:

- Pursuant to NCLT and Bombay High Court approval vide order dated 21st January, 2022 for capital reduction in Shapoorji Pallonji Forbes Shipping Limited ('SPFSL'), 2,01,25,000 equity shares of ₹ 10 each and 87,50,000 preference shares of ₹ 10 each were cancelled.

Further, SPFSL has incurred a loss of ₹ 879.84 Lakhs during the previous year ended 31st March, 2022 and SPFSL has sold some of its shipping vessels on which exceptional loss was incurred in the previous as well as in 31st March, 2021. As at the previous year-end only one ship remains and has been sold. Consequently, the recoverable value from use/ sale of the remaining vessels in SPSFL is lower as compared to the carrying value of the investment in SPFSL and an impairment provision of ₹ 791.41 Lakhs and ₹ 3,305.13 Lakhs respectively for the previous quarter and previous year ended 31st March, 2022 has been recorded as an exceptional expense.

Further, the Board of Directors of the Company at their meeting held on 23rd February, 2022 has approved the termination of the Joint Venture Agreement between Shapoorji Pallonji Forbes Shipping Limited ("SPFSL"), Sterling Investment Corporation Private Limited and G. S. Enterprises dated 1st December, 2014 with effect from close of business hours on 28th February, 2022. Consequently, w.e.f. 1st March, 2022, SPFSL ceases to be a subsidiary of the Company and now stands as an associate.

The Board of Directors of the Company at their meeting held on 30th May, 2022 has approved the sale of its entire shareholding in SPFSL, an associate as at 31st March, 2022 of the Company. Accordingly, the net carrying value of the investment of ₹ 2,756.09 Lakhs has been classified as asset held for sale as at 31st March, 2022.

During one of the earlier year the Board of Directors of the Company had given their acceptance for a scheme of Capital reduction in Shapoorji Pallonji Forbes Shipping Limited ('SPFSL'), a subsidiary of the Company whereby 1,95,00,000 equity shares of ₹ 10 each were to be cancelled out of aggregate investment of 4,00,00,000 equity shares held by the Company. A petition was filed by SPFSL in the High Court of Judicature at Bombay on 2nd September, 2016. The scheme was approved by the Honorable Bombay High Court vide order dated 2nd December, 2016. Accordingly, the Company has recognized ₹ 1,931.50 Lakhs as loss on capital reduction of investment in equity shares and correspondingly, reversed the existing provisions of ₹ 2,380.00 Lakhs. The same was disclosed as an exceptional item in the Statement of Profit and Loss for the year ended 31st March, 2017.

- Forbes Container Line Pte. Ltd., Singapore ("FCLPL"), a foreign subsidiary of the Company has been ordered to be wound by the High Court of Republic of Singapore on 19th August, 2016. An official liquidator has been appointed by the court. The Company has made full provision for investments made and loans given to FCLPL. Accordingly, this entity is no longer a related party for the Company and not consolidated in these financial statements.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

3. Edumetry Inc., USA, a foreign joint venture of the Company has been dissolved vide Certificate of Dissolution dated 28th October, 2015 issued by the State of Delaware. Consequently, the Company does not have any significant influence or control over Edumetry Inc. as on date. Accordingly, this entity is no longer a related party for the Company and not consolidated in these financial statements. The Company has made full provision for these investments in earlier years.

8D. Investments in Joint Ventures

Particulars	As at 31 st Mar., 2023		As at 31 st Mar., 2022	
	Qty	Amount	Qty	Amount
	₹ In Lakhs			
Equity Instruments (at cost less impairment)				
1. Equity shares of ₹ 10 each in Forbes Concept Hospitality Services Private Limited	26,25,000	-	26,25,000	-
2. Equity Investment in Forbes Macsa Private Limited	5,000	0.50	-	-
3. Share application money in Forbes Macsa Private Limited	-	249.50	-	-
Total		250.00		-

Note : The Company has paid ₹ 99.50 Lakhs for Equity shares of ₹ 10 each and Pref. shares of ₹ 150.00 Lakhs.

8E. Category-wise investments – as per Ind AS 109 classification

Particulars	₹ In Lakhs	
	As at 31 st Mar., 2023	As at 31 st Mar., 2022
Financial assets carried at fair value through profit or loss		
Equity Instruments	0.18	0.18
Financial assets carried at fair value through OCI		
Equity Instruments	5,120.40	0.18
	5,120.58	0.18
Financial assets carried at cost less impairment		
Equity components in preference shares / debentures	1,686.26	1,686.26
Equity shares (Unquoted)	2,229.49	1,974.48
	3,915.75	3,660.74
Total	9,036.33	3,660.92
Note:		
Aggregate amount of unquoted investments (net of impairment)	3,915.93	3,660.92
Aggregate amount of impairment in value of investments	590.12	14,123.41

8. Current Investments

8F. Investments in Mutual Funds

Particulars	As at 31 st Mar., 2023		As at 31 st Mar., 2022	
	Qty	Amount	Qty	Amount
	₹ In Lakhs			
Unquoted Investments				
HDFC Mutual Fund	11,228.399	492.25	-	-
ICICI Prudential Mutual Fund	2,01,614.658	666.65	-	-
SBI Mutual Fund	7,430.233	259.77	-	-
TOTAL INVESTMENTS		1,418.67		-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

9. Trade receivables

Particulars	₹ In Lakhs	
	As at 31 st Mar., 2023	As at 31 st Mar., 2022
Trade receivables		
a) Trade receivables from contract with customers – billed	3,553.22	3,812.00
b) Trade receivables from contract with customers – related parties	3,431.88	3,135.54
c) Less: Loss allowance	4,061.21	3,803.24
Total	2,923.88	3,144.30
Break-up of security details		
a) Secured, considered good	82.47	108.53
b) Unsecured, considered good	2,841.41	3,035.77
c) Doubtful	4,061.21	3,803.24
	6,985.09	6,947.54
Less: Allowance for doubtful debts (expected credit loss allowance)	4,061.21	3,803.24
Total	2,923.88	3,144.30

Note:

* Provision for doubtful debts includes provision on receivables from Forbes Technosys Ltd. ₹ 101.39 Lakhs, and pursuant to the merger and demerger of EFL, from LIAG ₹ 3,223.84 Lakhs.

Expected credit loss for trade receivables for the year ended 31st March, 2023

₹ In Lakh

	Outstanding for the following periods from the due date							Total
	Unbilled	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables								
Considered good	-	2,172.31	705.61	5.28	15.79	3.93	20.96	2,923.88
which have significant increase in credit risk	-	-	-	-	-	-	-	-
credit impaired	-	-	67.03	24.23	3,246.04	67.89	448.52	3,853.71
Disputed trade receivables								
Considered good	-	-	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-	207.50	207.50
Total	-	2,172.31	772.65	29.51	3,261.83	71.82	676.98	6,985.09
Less: Allowance for losses								4,061.21
Total	-	2,172.31	705.61	5.28	15.79	3.93	20.96	2,923.88

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

Expected credit loss for trade receivables for the year ended 31st March, 2022

₹ In Lakh

	Outstanding for the following periods from the due date							
	Unbilled	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables								
Considered good	-	2,552.71	561.27	4.21	-	-	26.11	3,144.30
which have significant increase in credit risk	-	-	-	-	-	-	-	-
credit impaired	-	-	-	4.99	69.85	178.60	3,549.80	3,803.24
Disputed trade receivables								
Considered good	-	-	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-	-	-
Total	-	2,552.71	561.27	9.20	69.85	178.60	3,575.91	6,947.54
Less: Allowance for losses								3,803.24
Total	-	2,552.71	561.27	4.21	-	-	26.11	3,144.30

Movement in the allowance for doubtful debts

	Year ended 31 st Mar., 2023	Year ended 31 st Mar., 2022
Opening balance	3,803.24	1,092.21
Impairment losses recognised on receivables	314.89	2,474.52
Impairment losses recognised on composite scheme arrangement	11.31	569.39
Impact of foreign exchange on re-statement	-	5.04
Amounts written off during the year as uncollectible	(29.42)	(240.35)
Amounts recovered during the year	(38.81)	(97.57)
Balance at end of the year	4,061.21	3,803.24

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

Trade receivables of ₹ 4,061.21 Lakhs (Previous year ₹ 3,803.24 Lakhs) were impaired. The individually impaired receivables were mainly due to unexpected difficult economic situations.

10. Loans

10A. Non Current

Particulars	As at 31 st Mar., 2023	As at 31 st Mar., 2022
a) Advances to related parties		
-Unsecured, considered good	-	-
-Unsecured, considered doubtful	14,518.59	13,239.59
Less : Allowance for bad and doubtful advances	14,518.59	13,239.59
sub total (a)	-	-
b) Loans to related parties		
-Secured, considered good	-	-
-Unsecured, considered doubtful	28,874.01	26,308.21
Less : Allowance for doubtful loans	28,874.01	26,308.21
sub total (b)	-	-
c) Loans to others		
-Secured, considered good	-	-
-Unsecured, considered doubtful	4,391.78	4,391.78
Less : Allowance for bad and doubtful loans	4,391.78	4,391.78
sub total (c)	-	-
Total (a+b+c)	-	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

10B. Current

Particulars	₹ In Lakhs	
	As at 31 st Mar., 2023	As at 31 st Mar., 2022
a) Loans to related parties		
-Secured, considered good	-	-
-Unsecured, considered doubtful (Refer Notes 32B and 52)	6,468.92	3,265.73
Less : Allowance for bad and doubtful loans	6,468.92	3,265.73
Total (a)	-	-
b) Loans and advances to employees		
-Secured, considered good	-	-
-Unsecured, considered good	10.61	0.83
Total (b)	10.61	0.83
c) Loans to others		
-Unsecured, considered doubtful (Refer Notes 8 and 46)	375.00	375.00
Less : Allowance for bad and doubtful loans	375.00	375.00
Total (c)	-	-
Total (a+b+c)	10.61	0.83

Note: The above loans are carried at amortised cost.

Movement in the allowance for bad and doubtful loans and advances and Other financial assets

Particulars	₹ In Lakhs	
	Year ended 31 st Mar., 2023	Year ended 31 st Mar., 2022
Balance at beginning of the year	54,974.49	8,466.68
Amounts provided for / (reversed) during the year	419.19	35,203.84
Impairment losses recognised on composite scheme arrangement	7,399.71	16,216.44
Impact of foreign exchange on re-statement	-	(112.47)
Converted to equity investments	-	(4,800.00)
Balance at end of the year	62,793.39	54,974.49

Details of loans and advances in the nature of loans granted to promoters, directors, key managerial personnel and related parties (as defined under Companies Act, 2013):

	As at 31 st Mar., 2023	As at 31 st Mar., 2022
	Amount outstanding	Amount outstanding
a) amounts repayable on demand		
- Other related parties*	35,342.93	29,573.94
	35,342.93	29,573.94

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total loans and Advances in the nature of loans
Promoters	-	-
Directors	-	-
KMPs	-	-
Related Parties	35,342.93	100%

* The above mentioned loans to related parties are fully provided as on March 31, 2023 and March 31, 2022.

11. Other financial assets

11A. Non current

Particulars	₹ In Lakhs	
	As at 31 st Mar., 2023	As at 31 st Mar., 2022
a) Security deposits		
Unsecured,		
- considered good	124.48	143.76
- Doubtful	2.89	2.89
Less : Allowance for bad and doubtful deposits	2.89	2.89
Total (a)	124.48	143.76
b) Balance held as margin money with banks with remaining maturity period of more than 12 months		
Unsecured,		
- considered good	-	1.98
Total (b)	-	1.98

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

13B. Other Bank balances

Particulars	₹ In Lakhs	
	As at 31 st Mar., 2023	As at 31 st Mar., 2022
a) Earmarked balance with the banks:		
-Unpaid dividends	64.75	24.30
b) In deposit accounts with original maturity of more than 3 months but less than 12 months, deposited under lien.	1,375.29	5.10
c) Balances held as margin money / under lien with remaining maturity of less than 12 months *	372.34	259.81
Total	1,812.38	289.21

Note:

*Includes ₹ 116.79 Lakhs FD Guarantee given by FTL to the bank.

14. Other assets

14A. Non Current

Particulars	₹ In Lakhs	
	As at 31 st Mar., 2023	As at 31 st Mar., 2022
a) Capital Advances	221.74	33.11
b) Prepaid expenses	69.13	75.95
c) Balances with government authorities		
-Unsecured, considered good	92.25	105.03
-Doubtful	73.31	83.31
Less : Allowance for doubtful balances	73.31	83.31
	92.25	105.03
d) Advance wealth tax	49.94	49.94
Total	433.06	264.03

14B. Current

Particulars	₹ In Lakhs	
	As at 31 st Mar., 2023	As at 31 st Mar., 2022
a) Advances for supply of goods and services		
-Unsecured, considered good	175.29	181.11
-Doubtful	14.76	24.09
Less : Allowance for doubtful advances	14.76	24.09
	175.29	181.11
b) Advance to HDFC Life - Leave Encashment	126.90	-
c) Provision for Gratuity/Provision for Gratuity Fund with LIC - Debit balance Company level	0.64	0.64
d) Prepaid expenses	1,086.88	711.40
e) Balances with government authorities	37.79	136.94
f) Export incentives receivables	9.07	33.25
g) Others	-	3.92
Total	1,436.57	1,067.26

15. Equity share capital

Particulars	₹ in Lakhs	
	As at 31 st Mar., 2023	As at 31 st Mar., 2022
Authorised Share capital :		
4,30,50,000 fully paid equity shares of ₹ 10 each (Previous year 4,30,50,000)	4,305.00	4,305.00
Issued, subscribed and paid-up share capital:		
1,28,98,616 fully paid equity shares of ₹ 10 each (Previous year 1,28,98,616)	1,289.86	1,289.86
	1,289.86	1,289.86

During Previous year, the Authorised Share Capital of the Company was increased from ₹ 1,50,00,000 to ₹ 4,30,50,000 pursuant to the Composite Scheme of Arrangement approved by the National Company Law Tribunal vide order dated January 25, 2022 (Refer Note 53).

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

Notes:

1 Fully paid equity shares

Particulars	Number of shares	Share Capital ₹ in Lakhs
Balance as at the year end	1,28,98,616	1,289.86

Rights, preferences and restrictions attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Particulars	As at 31 st Mar., 2023		As at 31 st Mar., 2022		% Change during the year
	Number of shares held	% holding in the class of shares	Number of shares held	% holding in the class of shares	
Fully paid equity shares					
Shapoorji Pallonji and Company Private Limited	93,59,293	72.56	93,59,293	72.56	-
India Discovery Fund Limited	11,48,255	8.90	11,48,255	8.90	-
Total	1,05,07,548	81.46	1,05,07,548	81.46	-

4 The Company has not allotted any equity shares for consideration other than cash, bonus shares, nor have any shares been bought back during the period of five years immediately preceding the Balance Sheet date.

5 Details of shareholding of promoters

Particulars	As at 31 st Mar., 2023		As at 31 st Mar., 2022		% Change during the year
	Number of shares held	% holding in the class of shares	Number of shares held	% holding in the class of shares	
Shapoorji Pallonji and Company Private Limited	93,59,293	72.56	93,59,293	72.56	-
Forbes Campbell Finance Limited	1,66,398	1.29	1,66,398	1.29	-
Total	95,25,691	73.85	95,25,691	73.85	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

16. Other equity

Particulars	₹ in Lakhs	
	As at 31 st Mar., 2023	As at 31 st Mar., 2022
a) General reserve		
Balance at beginning of the year	39,954.45	16,188.60
Impact of merger as per the composite scheme of arrangement (Refer note 53)	*	23,765.85
Balance as at the year end	39,954.45	39,954.45
b) Capital reserve		
Balance at beginning of the year	(93,902.99)	-
Impact of merger as per the composite scheme of arrangement (Refer note 53)	*	619.09
Capital reserve created on merger (Refer note 53) *	-	(94,522.08)
Balance at end of the year	(93,902.99)	(93,902.99)
c) Retained earnings		
Balance at beginning of the year	56,589.04	(399.35)
Profit for the year	23,859.16	4,13,294.21
Payment of dividends on equity shares	(8,384.10)	-
Deemed Dividend (Refer note 53)	-	(4,06,600.00)
Impact of merger as per the composite scheme of arrangement (Refer note 53)	*	50,294.17
Balance at end of the year	72,064.10	56,589.04
d) Other comprehensive income		
Balance at beginning of year	(28.16)	(49.75)
Add: OCI Current	1,307.91	21.59
Balance at end of the year	1,279.75	(28.16)
Total	19,395.31	2,612.34

(i) Equity shares

Deemed Dividend for the previous year 31st March, 2022 of 3,152.28 per equity share fully paid share had been distributed pursuant to the Composite Scheme of Arrangement approved by the Board of Directors of the Company at their Board meeting dated 8th September, 2020. This Scheme was sanctioned by the NCLT vide order dated 25th January, 2022.

- 4,06,600.00

* The impacts of the reserves taken over as a result of the merger as per the composite scheme of arrangement (Refer note 53), have been determined to the extent practically identifiable by the Company.

During the quarter ended 30th September 2022, the Company has paid Special interim dividend of ₹ 65/- per fully paid equity share of ₹ 10 each for financial year 2022-23 after completing all the necessary compliances.

Description of Reserves

Retained Earnings: Retained earnings represent the amount of accumulated earnings of the Company

Securities premium reserve: The amount received in excess of the par value of equity shares has been classified as securities premium.

General reserve: The Company created a General Reserve in earlier years pursuant to the provisions of the Companies Act, 1956 where in certain percentage of profits was required to be transferred to General Reserve before declaring dividends. As per Companies Act 2013, the requirements to transfer profits to General Reserve is not mandatory. General Reserve is a free reserve available to the Company.

Capital Redemption Reserve: As per Companies Act, 2013, capital redemption reserve is created when company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve. The reserve is utilised in accordance with the provisions of section 69 of the Companies Act, 2013.

Other Comprehensive income: This reserve represents the cumulative gains (net of losses) arising on the revaluation of Equity Instruments measured at fair value through Other comprehensive Income, net of amounts reclassified, If any, to Retained Earnings when those instruments are disposed off.

Capital Reserve: During merger, the excess of net assets acquired, over the cost of consideration paid is treated as capital reserve.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

17. Non-current Borrowings

Particulars	₹ in Lakhs			
	Non-current portion		Current maturities	
	As at 31 st Mar., 2023	As at 31 st Mar., 2022	As at 31 st Mar., 2023	As at 31 st Mar., 2022
(a) Term loans				
From banks				
i) DCB Bank Limited Term Loan - under the Central Government launched Emergency Credit Line Guarantee Scheme 2.0 (ECLGS 2.0) - Secured by second charge on leasehold land and factory building together with Plant & Machinery and other support facilities situated at Waluj, MIDC, Aurangabad. "[Repayable in 48 equated monthly installments, after moratorium of 12 months. First installment is due on 4 th April, 2022 and last installment is due on 4 th March, 2026. Rate of interest is MCLR + 0.81% spread with a cap of 9.25% p.a. during entire tenure of the loan - Additional borrowings of ₹ 487.6 Lakhs availed under the same scheme during the year ended 31 st March, 2022, repayable in 48 equated monthly installments, after moratorium of 24 months. First installment is due on 4 th February, 2024 and last installment is due on 4 th January, 2028. Rate of interest is EBLR + 0.81% spread with a cap of 9.25% p.a. during entire tenure of the loan]"	1,012.95	1,248.76	243.25	213.84
ii) DCB Bank Limited Term Loan - Secured by first Pari-passu charge on leasehold land and factory building together with Plant & Machinery and other support facilities situated at Waluj, MIDC, Aurangabad. [Repayable as per the repayment schedule agreed with the bank from time to time. First installment is due in 31 st October, 2020 and last installment is due in 30 th April, 2024. Rate of interest in the range of 9.70% p.a. to 10.45% p.a.]	-	1,317.91	-	1,600.00
iii) Toyota Financial Services Loan - Secured against hypothecation of Car (Refer Note 49) [Repayable as per the repayment schedule agreed with the financial institution from time to time. First installment is due in 20 th September, 2021 and last installment is due in 20 th August, 2026. Rate of interest is 8.26% p.a.]	-	25.51	-	6.23
iv) Federal Bank Limited Term Loan - under the Central Government launched Guranteed Emergency Credit Line Scheme 2.0 (GECL 2.0) - Secured by second charge by way of hypothecation of certain investment properties of the Company. [- Repayable in 48 equated monthly installments, after a moratorium period of 12 months. First installment is due on 31 st January, 2022 and last installment is due in 2 nd February, 2026. Rate of interest is Repo rate + 5.25% spread p.a. - Additional borrowings of ₹ 1,296 Lakhs availed under the same scheme during the year ended 31 st March, 2022, repayable in 48 equated monthly installments, after moratorium of 24 months. First installment is due on 2 nd April, 2024 and last installment is due on 29 th March, 2028. Rate of interest is Repo rate + 5.25% spread p.a.]	-	2,786.41	-	425.86

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

Particulars	Non-current portion		Current maturities	
	As at 31 st Mar., 2023	As at 31 st Mar., 2022	As at 31 st Mar., 2023	As at 31 st Mar., 2022
v) Federal Bank Limited Term Loan - under the Central Government launched Guranteed Emergency Credit Line Scheme 2.0 (GECL 2.0) - Secured by second charge by way of hypothecation of certain investment properties of the Company. [Repayable in 48 equated monthly installments, after a moratorium period of 12 months. First installment is due on 24 th July, 2022 and last installment is due in 24 th June, 2026. Rate of interest is Repo rate + 5.25% spread p.a.]	-	127.58	-	24.42
vi) Federal Bank Limited Term Loan - under the Central Government launched Guranteed Emergency Credit Line Scheme 2.0 (GECL 2.0) - Secured by second charge by way of hypothecation of certain investment properties of the Company. [Repayable in 48 equated monthly installments, after a moratorium period of 12 months. First installment is due on 2 nd August, 2022 and last installment is due in 2 nd July, 2026. Rate of interest is Repo rate + 5.25% spread p.a.]	-	42.03	-	6.97
	1,012.95	5,548.20	243.25	2,277.32
Less: Amount disclosed under "Current Borrowings"	-	-	(243.25)	(2,277.32)
Total	1,012.95	5,548.20	-	-

18. Other financial liabilities**18A. Non Current**

Particulars	₹ in Lakhs	
	As at 31 st Mar., 2023	As at 31 st Mar., 2022
Security deposits	254.49	139.50
Total	254.49	139.50

18B. Current

Particulars	₹ in Lakhs	
	As at 31 st Mar., 2023	As at 31 st Mar., 2022
a) Interest accrued but not due on borrowings	8.91	8.90
b) Unpaid dividends **	64.75	24.30
c) Others :-		
- Payables on purchase of fixed assets	16.37	479.50
- Security deposits	456.46	411.67
- Other Payables	47.76	2,828.96
- Deposits and other charges payable to society	683.88	776.40
Total	1,278.13	4,529.73

** In the previous year, the Company has transferred ₹ 0.04 Lakhs and ₹ 0.00 pertaining to unpaid dividend of 2012-13 and 2013-14 respectively to the Investor Education and Protection Fund (IEPF)/custodians on June 2, 2021 on settlement of outstanding matters.

19. Provisions**19A. Non current**

Particulars	₹ in Lakhs	
	As at 31 st Mar., 2023	As at 31 st Mar., 2022
a) Employee benefits		
Gratuity (Refer Note 35)	-	63.28
Other post retirement benefits (Refer Note 35)	182.58	207.29
b) Other Provisions (Refer Note 1 below)	569.78	265.49
Total (a+b)	752.36	536.06

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

19B. Current

Particulars	₹ in Lakhs	
	As at 31 st Mar., 2023	As at 31 st Mar., 2022
Employee benefits		
Compensated absences	-	301.62
Gratuity (Refer Note 35)	38.12	102.04
Other post retirement benefits (Refer Note 35)	33.01	33.31
Total	71.13	436.97

Note : 1

Other Provisions

Particulars	₹ in Lakhs	
	As at 31 st Mar., 2023	As at 31 st Mar., 2022
Balance at the beginning of the year	265.49	311.50
Add: Provisions made during the year	304.29	-
Less: Utilisation / reversal during the year	-	46.01
Balance at the end of the year	569.78	265.49

Current Year (2022-23)

Deferred tax (liabilities)/assets in relation to:	₹ in Lakhs			
	Opening balance	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	Closing balance
a) Property, plant and equipment	(618.65)	(11.72)	-	(630.37)
b) Right of Use Assets	(10.53)	(123.16)	-	(133.69)
c) Lease Liability	6.42	129.20	-	135.62
d) Allowances for doubtful debts and advances	239.56	35.04	-	274.60
e) Defined benefit obligation	41.61	(25.81)	(6.22)	9.58
f) Provisions and liabilities to be allowed on payment basis	80.00	6.07	5.03	91.10
g) Tax losses	122.83	(114.20)	-	8.63
h) Long Term Capital Loss	1,393.05	(606.48)	(171.70)	614.87
i) Profits from Real Estate Business (Refer Note 50 below)	918.90	169.59	-	1,088.49
Total	2,173.19	(541.47)	(172.89)	1,458.83

This provision represent the Company's best estimate of the future outflow of economic benefits that will be required for certain indirect tax and legal matters. The outflow would depend on settlement / conclusion of respective matters / cessation of expected events with respective authorities.

20. Deferred tax balances

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

Particulars	₹ in Lakhs	
	As at 31 st Mar., 2023	As at 31 st Mar., 2022
Deferred tax assets	1,458.83	2,098.11
Deferred tax liabilities	-	75.08
Net	1,458.83	2,173.19

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued*Previous Year (2021-22)*

Particulars	₹ in Lakhs			
	Opening balance	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	Closing balance
Deferred tax (liabilities)/assets in relation to:				
a) Property, plant and equipment	(650.81)	32.16	-	(618.65)
b) Right of Use Assets	(53.69)	43.16	-	(10.53)
c) Lease Liability	53.52	(47.10)	-	6.42
d) Allowances for doubtful debts and advances	329.48	(89.92)	-	239.56
e) Defined benefit obligation	40.26	1.35	-	41.61
f) Provisions and liabilities to be allowed on payment basis	96.07	(16.07)	-	80.00
g) Tax losses	477.46	(354.63)	-	122.83
h) Long Term Capital Loss	-	1,393.05	-	1,393.05
i) Profits from Real Estate Business (Refer Note 50 below)	822.18	96.72	-	918.90
Total	1,114.47	1,058.72	-	2,173.19

Note:

During the previous year ended 31st March, 2021, the Company has decided to exercise the option prescribed in Section 115 BAA of the Income Tax Act, 1961 and to pay tax at a lower rate while computing the tax expense for the current financial year. Accordingly, deferred tax asset has been remeasured at the lower rate and deferred tax asset on MAT credit has been expensed out in that year.

Note:

There are no unrecognised deductible temporary differences, unused tax losses and unused tax credits.

21. Other liabilities**Current**

Particulars	₹ in Lakhs	
	As at 31 st Mar., 2023	As at 31 st Mar., 2022
a) Advances from customers [includes ₹ 22,680.64 Lakhs; (Previous year ₹ 15,763.99 Lakhs) towards installments received from customers towards real estate development projects in progress] (Refer Note 50)	23,082.13	16,188.52
b) Statutory remittances	129.11	230.86
c) Others		
- Payable to Employees	892.09	824.35
- Others	31.65	30.83
- Advance for land sale	-	4,000.00
Total	24,134.98	21,274.56

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

22. Borrowings Current

Particulars	₹ in Lakhs	
	As at 31 st Mar., 2023	As at 31 st Mar., 2022
Current maturities of long term borrowings	243.25	2,277.32
Unsecured - at amortised cost		
a) Credit card facility availed from Axis Bank (Tenure of 51 days)	-	247.59
Total	243.25	2,524.91
Secured - at amortised cost		
Loans repayable on demand		
From banks		
i) Cash credit from consortium of banks - Secured against pari passu charge by way of hypothecation of all stocks including raw materials, stock-in-process, finished goods, stores and spares, goods in transit, trade receivables and other current assets, except receivables of project Vicinia.	-	2,095.65
Total	243.25	4,620.56

During the year, the Company has been sanctioned working capital limits in excess of ₹ 5 Crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, which are in agreement with the unaudited books of account.

23. Trade payables Current

Particulars	₹ in Lakhs	
	As at 31 st Mar., 2023	As at 31 st Mar., 2022
Micro and small enterprises	678.67	550.98
Others (includes due to related parties as per Note 40)	3,111.53	4,179.79
Total	3,790.20	4,730.77

Ageing of Trade Payables for the year ended 31st March, 2023

Particulars	₹ in Lakhs						Total
	Unbilled	Not due	Outstanding for the following periods from the due date				
			6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade payables							
Micro enterprises and small enterprises	-	678.20	0.46	0.02	-	-	678.67
Others	-	1,303.06	1,734.53	0.52	7.72	65.71	3,111.53
Disputed trade receivables							
Micro enterprises and small enterprises	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
Total	-	1,981.25	1,734.97	0.54	7.72	65.71	3,790.20

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - ContinuedAgeing of Trade Payables for the year ended 31st March, 2022

₹ in Lakhs

Particulars	Unbilled	Not due	Outstanding for the following periods from the due date				
			6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
<i>Undisputed trade payables</i>							
<i>Micro enterprises and small enterprises</i>	-	525.87	25.10	0.01	-	-	550.98
<i>Others</i>	-	2,253.51	1,840.10	10.95	2.99	72.24	4,179.79
<i>Disputed trade receivables</i>							
<i>Micro enterprises and small enterprises</i>	-	-	-	-	-	-	-
<i>Others</i>	-	-	-	-	-	-	-
Total	-	2,779.38	1,865.20	10.96	2.99	72.24	4,730.77

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

Particulars	₹ in Lakhs	
	31 st Mar., 2023	31 st Mar., 2022
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	504.36	438.22
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	0.34	1.28
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	4,782.17	2,698.28
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	59.02	32.39
Further interest remaining due and payable for earlier years	115.29	79.09

24. Income tax assets and liabilities

Particulars	₹ in Lakhs	
	As at 31 st Mar., 2023	As at 31 st Mar., 2022
Tax assets		
Tax refund receivable (net)	645.17	951.85
	645.17	951.85
Tax liabilities		
Income tax payable (net)	57.34	-
	57.34	-
Net Asset	587.83	951.85
Movement during the year		
Balance at the beginning of the year	951.85	1,419.95
Add: Taxes paid (including tax deducted at source / self assessment tax)	361.24	337.38
Less: Refund received (net of taxes paid / adjusted)	(403.80)	(805.48)
Less: Current tax payable for the year	(269.66)	-
Less: Short prov for tax for earlier year	(51.80)	-
Balance at the year end	587.83	951.85

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

25. Revenue from operations

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

Particulars	₹ in Lakhs		Particulars	₹ in Lakhs	
	Year ended 31 st Mar., 2023	Year ended 31 st Mar., 2022		Year ended 31 st Mar., 2023	Year ended 31 st Mar., 2022
a) Income from real estate contracts	238.08	1,490.58	ii) Interest on Income Tax/Wealth Tax refund	20.55	525.21
b) Sales			iii) Miscellaneous income (mainly includes recoveries from group companies)	48.97	54.11
Sale of products			iv) Recoveries of doubtful debts	-	79.01
i) Finished Goods	22,328.49	20,256.64	Total (c)	88.99	743.18
ii) Traded Good	378.77	171.85	d) Other gains and losses		
Sale of services	22,707.26	20,428.49	i) Gain on disposal of property, plant and equipment	20,983.59	345.95
i) Service income	116.67	119.75	ii) Gain on disposal of current investments	106.38	-
	116.67	119.75	iii) Gain on fair value / interest of long-term investments in subsidiaries	-	158.37
c) Other operating revenues			iv) Net foreign exchange gains	-	13.63
i) Rent and amenities	1,555.33	1,382.56	v) Guarantee Commission (including notional income recognised)	0.24	23.66
ii) Export incentives	71.54	18.89	vi) Unrealised gain/loss	45.15	-
iii) Others (mainly includes scrap sales)	91.97	64.24	Total (d)	21,135.36	541.61
	1,718.84	1,465.69	Total (a + b + c + d)	21,392.71	1,369.85
Total	24,780.85	23,504.51			

26. Other Income

Particulars	₹ in Lakhs	
	Year ended 31 st Mar., 2023	Year ended 31 st Mar., 2022
a) Interest Income		
Interest income earned on financial assets that are not designated as at fair value through profit or loss:		
i) Bank deposits	159.23	57.68
ii) Inter-corporate deposit	3.36	18.83
iii) Customers and others	5.77	8.55
Total (a)	168.36	85.06
b) Dividend Income		
i) from long-term investments	0.00	-
Total (b)	0.00	-
c) Other Non-Operating Income		
i) Credit balances / excess provision written back	19.47	84.85

27. Real estate development costs

Particulars	₹ in Lakhs	
	Year ended 31 st Mar., 2023	Year ended 31 st Mar., 2022
i) Material and Contractual Payments	2,470.30	2,168.82
ii) Fees for technical services / design and drawings	19.13	26.71
iii) Project Management Consultancy Fees	146.81	150.12
iv) Fees-filing with Statutory Authorities	16.90	28.91
v) Interest on borrowings	-	52.75
vi) Operation and maintenance expenses	110.06	84.18
Total	2,763.20	2,511.49

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

28. A. Cost of materials consumed (raw and packing materials)

Particulars	₹ in Lakhs	
	Year ended 31 st Mar., 2023	Year ended 31 st Mar., 2022
Opening stock of raw materials including packing materials	1,869.28	961.61
Purchases	8,077.30	9,073.80
	9,946.58	10,035.41
Less: Closing stock of raw materials including packing materials	719.39	1,869.28
	9,227.19	8,166.13

Consumption is arrived at on the basis of opening stock plus purchases less closing stock and includes the adjustments of excess and shortage as ascertained on physical count.

B. Changes in inventories of finished goods, work-in-progress and stock-in-trade.

Particulars	₹ in Lakhs	
	Year ended 31 st Mar., 2023	Year ended 31 st Mar., 2022
a) Inventories at the end of the year:		
i) Finished goods	1,341.32	1,388.16
ii) Work-in-progress	1,028.68	817.19
iii) Stock-in-trade	232.32	154.09
iv) Real estate development work-in-progress	14,605.56	11,973.79
	17,207.88	14,333.23
b) Inventories at the beginning of the year:		
i) Finished goods	1,388.16	1,002.70
ii) Work-in-progress	817.19	590.45
iii) Stock-in-trade	154.09	21.26
iv) Real estate development work-in-progress	11,973.79	10,504.58
	14,333.23	12,118.99
Net increase (b)-(a)	(2,874.65)	(2,214.24)

29. Employee benefits expense

Particulars	₹ in Lakhs	
	Year ended 31 st Mar., 2023	Year ended 31 st Mar., 2022
i) Salaries and Wages (Refer Note 35 II D)	4,527.31	4,332.33
ii) Contribution to provident and other funds (Refer Note 35)	310.03	269.24
iii) Staff Welfare Expenses	291.50	278.69
Total	5,128.84	4,880.26

30. Finance costs

Particulars	₹ in Lakhs	
	Year ended 31 st Mar., 2023	Year ended 31 st Mar., 2022
(a) Interest costs :-		
i) Interest on bank overdrafts and loans	579.09	1,120.27
ii) Interest expenses on lease liabilities	48.20	14.01
iii) Delayed payment of taxes	0.38	0.35
iv) Other interest expense	59.02	83.73
	686.69	1,218.36
(b) Other borrowing costs	131.75	16.28
Total	818.44	1,234.64

31. Depreciation and amortisation expense

Particulars	₹ in Lakhs	
	Year ended 31 st Mar., 2023	Year ended 31 st Mar., 2022
i) Depreciation on property, plant and equipment (Refer Note 5)	1,181.54	1,153.24
ii) Depreciation of investment properties (Refer Note 6)	61.28	63.02
iii) Depreciation Right-of-use assets (Refer Note 45)	45.77	26.05
iv) Amortisation of intangible assets (Refer Note 7)	73.88	65.48
Total	1,362.47	1,307.79

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

32. A. Other expenses

Particulars	₹ in Lakhs		
	₹ in Lakhs	Year ended 31 st Mar., 2023	₹ in Lakhs Year ended 31 st Mar., 2022
Consumption of stores and spare parts		671.33	706.70
Processing charges		1,266.32	1,216.26
Power and fuel		522.13	514.44
Service charges		421.85	409.53
Rent and hire charges		638.83	16.85
Repairs and maintenance to :			
i) Buildings	243.82		624.26
ii) Plant and machinery	411.95		367.36
iii) Others	246.39		242.63
		902.16	1,234.25
Insurance		59.54	56.43
Rates and taxes		150.54	156.45
Selling expenses, commission and brokerage		239.27	264.11
Freight and outward charges		356.95	317.86
Advertisement and sales promotion		430.17	133.64
Printing and Stationery		30.81	31.38
Communication		59.74	68.73
Legal and professional charges		579.17	544.23
Travelling and conveyance		330.80	182.99
Trade receivables written off	29.42		241.35
Less: Provision held	29.42		240.35
		-	1.00
Advances written off		-	26.25
Provision for doubtful trade receivables		26.74	0.00
Provision for doubtful loans and advances		55.82	2.34
Loss on sale of property, plant and equipment (net)		-	0.16
Corporate social responsibility expenditure (Refer Note 2 below)		71.85	24.94
Net loss on Foreign currency transactions and translations		5.14	(0.00)
Security Expenses		154.12	185.34
Miscellaneous expenses		495.61	380.58
Auditors remuneration			
To Statutory Auditors			
i) For audit	98.28		88.61
ii) For reimbursement of expenses	6.21		3.49
		104.49	92.10
To cost auditors		3.51	4.00
		108.00	96.10
Total		7,576.89	6,570.56

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

Note 1: Included in other expenses are the below:

Direct operating expenses arising from investment property that generated rental income during the year	646.80	407.24
Direct operating expenses arising from investment property that did not generate rental income during the year	18.56	18.56
Total	665.36	425.80

Note 2: Details of Corporate social responsibility expenditure:

As per Section 135 of the Act, a Company meeting the applicability threshold, needs to spend atleast 2% of its average net profit for the immediately preceding three financial years on CSR activities. The major areas for CSR activities are promoting education facilities. A CSR committee has been formed by the Company as per the Act.

Amount required to be spent as per section 135 of the Act.	28.05	24.94
Amount spent during the year:		
(i) Constructions/ Acquisition of an asset	18.71	-
(ii) For the purposes other than (i) above	-	-
Total	18.71	-
Agreements entered for construction / acquisition of assets	-	-
Contribution for activities promoting educational facilities	18.71	-
Accrual towards unspent obligations in relation to other than ongoing projects	9.34	24.94

Year	Balance as at 1 st April, 2022		Amount required to be spent during the year	Amount Spent during the year		Balance as at 31 st March, 2023	
	With the Company	In Separate CSR unspent account		From the Company's Bank Account	From Separate CSR unspent account	With the Company	In Separate CSR unspent account
2023	-	18.01	28.05	18.71	18.01	-	★ 9.34
2022	-	18.01	24.94	-	18.01	24.94	-

* ₹ 9.34 Lakhs has been transferred to a separate CSR unspent account on 28th April, 2023.

B. Exceptional items

	Year ended 31 st Mar., 2023	₹ in Lakhs Year ended 31 st Mar., 2022
Investments written off	145.22	-
Provision for disputed matters (Refer Note 44)	-	(230.19)
Impairment of investments, loans (including interest accrued thereon) and other receivables in a subsidiary / provision for Guarantees given to a subsidiary (Forbes Technosys Limited) (Refer Note 52)	-	(7,517.23)
Impairment of investments in a subsidiary / associate (Shapoorji Pallonji Forbes Shipping Limited) (Refer Note 54)	-	(3,305.13)
Notional income on early redemption of debentures (Forbes Campbell Finance Limited) (Refer Note 57)	-	1,203.49
Impairment of loans, financial assets and receivables in a subsidiary (Lux Group) (Refer Note 58)	-	(32,935.67)
Notional gain on distribution of demerged undertaking to owners (Refer Note 53)	-	4,52,875.74
Profit on sale of Investment in FFSP	3,200.41	-
Provision for doubtful trade receivables	(1.49)	-
Provision for doubtful Contractually reimbursable expenses to related parties	(19.56)	-
Provision for doubtful loans and advances	(419.19)	-
Total	2,905.39	4,10,091.01

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

33. Income taxes

33.1 Income tax recognised in profit or loss

Particulars	₹ in Lakhs	
	Year ended 31 st Mar., 2023	Year ended 31 st Mar., 2022
For Continuing operations		
Current tax		
In respect of the current year	269.66	-
(Excess) / short provision for tax of earlier years	51.80	-
	<u>321.46</u>	<u>-</u>
Deferred tax		
In respect of the current year	541.47	(1,058.72)
	<u>541.47</u>	<u>(1,058.72)</u>
Total income tax expense recognised in the current year relating to continuing Operations	<u>862.93</u>	<u>(1,058.72)</u>

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

Profit before tax from total operations	24,722.10	4,12,235.49
Income tax expense calculated at 25.168% (2021-22: 25.168%)	6,222.06	1,03,759.67
Effect of expense that is non deductible in determining taxable profit	165.52	(1,14,291.71)
Effect of tax incentives and concession	(26.14)	(49.17)
Effects of Ind AS adjustments due to notional gains/ loss recognised during the year	(5.48)	(39.86)
Effect of income that is exempt from taxation	-	10,179.49
Impact of Capital Loss	(1,756.32)	(561.15)
Changes in the estimate related to prior years	51.80	-
Recognition of previously unrecognised tax losses	(3,815.34)	-
Derecognition of the previously recognised DTA	27.61	-
Others	(1.66)	(55.99)
Income tax expense recognised in the Statement of Profit and Loss	<u>862.03</u>	<u>(1,058.72)</u>

33.2 Income tax recognised in other comprehensive income

Particulars	₹ in Lakhs	
	Year ended 31 st Mar., 2023	Year ended 31 st Mar., 2022
Others		
Deferred tax		
Re-measurement of defined benefit obligation	(172.90)	-
Total income tax expense recognised in other comprehensive income	<u>(172.90)</u>	<u>-</u>

34. Earnings per share

Particulars	Year ended 31 st Mar., 2023	Year ended 31 st Mar., 2022
Profit for the year (After exceptional items) (₹ in Lakhs) (A)	23,859.16	4,13,294.21
Profit for the year (Before exceptional items) (₹ in Lakhs) (D)	20,953.77	3,203.20
Weighted average number of equity shares for the purposes of basic/ diluted earnings per share (Quantity in Lakhs) (B)	128.99	128.99
Basic/ Diluted Earnings per equity share (After exceptional items) C=(A/B) (₹)	184.95	3,203.83
Basic/ Diluted Earnings per equity share (Before exceptional items) C=(D/B) (₹)	162.43	24.83

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued**35. Employee Benefits :****Brief description of the Plans:**

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

Gratuity

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

The gratuity plan is a funded plan and the Company had obtained insurance policies with Life Insurance Corporation of India (LIC) and makes a contribution to LIC for amounts notified by LIC. The Company accounts for gratuity benefits payable in future based on an independent external actuarial valuation carried out at the end of the year using the Projected Unit Credit method.

The Company's Gratuity Plan is administered by an insurer and the Investments are made in various schemes of the trust. The Company funds the plan on a periodical basis.

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

Provident Fund

The eligible employees of the Company are entitled to receive post-employment benefits in respect of provident fund, in which both the employees and the Company make monthly contributions at a specified percentage of the employees' eligible salary. The contributions are made to the provident fund managed by the trust set up by the Company which are charged to the Statement of Profit and Loss as incurred.

A large portion of provident fund trust assets consists of government and corporate bonds, although the Company also invests in equities, cash and mutual funds. The plan asset mix is in compliance with the requirements of the regulations in case of Provident fund.

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

Post retirement medical and non-compete fees

Under the post-retirement medical and non-compete fees, eligible whole-time directors and on their demise, their spouses are entitled to medical benefits subject to certain limits and fixed monthly payment as non-compete fee. The Company accounts for these benefits payable in future based on an independent external actuarial valuation carried out at the end of the year using the Projected Unit Credit method.

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. Plan investment is a mix of investments in government securities, and other debt instruments.

Interest risk

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's investments.

Longevity risk

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

Salary risk

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

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

₹ in Lakhs

Particulars	Year ended	
	31 st Mar., 2023	31 st Mar., 2022
Employer's contribution to Regional Provident Fund Office	66.04	62.19
Employer's contribution to Superannuation Fund	47.69	52.19
Employer's contribution to Employees' State Insurance Corporation and other funds	43.08	38.18

Included in Contribution to Provident and Other Funds (Refer Note 29)

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

A. Change in Defined Benefit Obligation

₹ in Lakhs

Particulars	Gratuity (Funded)		Others (Post Retirement medical and non compete fees) (Non funded)	
	Year ended	Year ended	Year ended	Year ended
	31 st Mar., 2023	31 st Mar., 2022	31 st Mar., 2023	31 st Mar., 2022
Present Value of Defined Benefit Obligation as at beginning of the year	745.13	740.65	240.60	301.70
Interest Cost	49.70	45.00	16.54	19.02
Current Service Cost	42.56	18.62	-	-
Benefits Paid	(132.20)	(81.77)	(31.15)	(38.44)
Remeasurement of defined benefit obligation	41.25	22.63	(10.40)	(41.68)
Present Value of Defined Benefit Obligation as at the end of the year	746.44	745.13	215.59	240.60

B. Changes in the Fair Value of Assets

₹ in Lakhs

Particulars	Gratuity (Funded)		Others (Post Retirement medical and non compete fees) (Non funded)	
	Year ended	Year ended	Year ended	Year ended
	31 st Mar., 2023	31 st Mar., 2022	31 st Mar., 2023	31 st Mar., 2022
Fair Value of Plan Assets as at beginning of the year	579.82	580.69	-	-
Interest Income	38.85	36.35	-	-
Contributions from employer	203.00	42.00	-	-
Benefits Paid	(132.20)	(81.77)	-	-
Return on Plan Assets, excluding Interest Income	16.55	2.55	-	-
Fair Value of Plan Assets as at the end of the year	706.02	579.82	-	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

C. Amount recognised in the Balance Sheet

₹ in Lakhs

Particulars	Gratuity (Funded)		Others (Post Retirement medical and non compete fees) (Non funded)	
	Year ended 31 st Mar., 2023	Year ended 31 st Mar., 2022	Year ended 31 st Mar., 2023	Year ended 31 st Mar., 2022
Present Value of Defined Benefit Obligation as at the end of the year	746.44	745.13	215.59	240.60
Fair Value of Plan Assets as at end of the year	706.02	579.82	-	-
Net Liability recognised in the Balance Sheet (Refer Note 19A and 19B)	40.43	165.31	215.59	240.60
Recognised under:				
Non - current provision (Refer Note 19A)	-	63.28	182.58	207.29
Current provision (Refer Note 19B)	40.43	102.03	33.01	33.31

D. Expenses recognised in Statement of Profit and Loss

₹ in Lakhs

Particulars	Gratuity (Funded) *		Others (Post Retirement medical and non compete fees) (Non funded) #	
	Year ended 31 st Mar., 2023	Year ended 31 st Mar., 2022	Year ended 31 st Mar., 2023	Year ended 31 st Mar., 2022
Current Service Cost	42.56	18.62	-	-
Net interest	10.85	8.65	16.54	19.02
Total Expenses recognised in the Statement of Profit and Loss	53.41	27.27	16.54	19.02

* Included in Contribution to Provident and Other Funds (Refer Note 29)

included in Salaries and Wages (Refer Note 29)

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

₹ in Lakhs

Particulars	Gratuity (Funded)		Others (Post Retirement medical and non compete fees) (Non funded)	
	31 st Mar., 2023	31 st Mar., 2022	31 st Mar., 2023	31 st Mar., 2022
Actuarial (Gains)/Losses on Obligation for the Year - Due to changes in financial assumptions	(12.40)	(11.53)	(5.59)	(4.04)
Actuarial (Gains)/Losses on Obligation for the Year - Due to experience adjustment	46.26	34.34	5.08	(37.64)
Return on Plan Assets, excluding Interest Income	(16.55)	(2.55)	-	-
Actuarial (Gains)/Losses on Obligation for the Year - Due to changes in demographic assumptions	7.39	(0.18)	(9.89)	-
Net (Income)/Expense For the year Recognized in OCI	24.70	20.08	(10.40)	(41.68)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

F. Principal actuarial assumptions used:

₹ in Lakhs

Particulars	Gratuity (Funded)		Others (Post Retirement medical and non compete fees) (Non funded)	
	As at 31 st Mar., 2023	As at 31 st Mar., 2022	As at 31 st Mar., 2023	As at 31 st Mar., 2022
Discount Rate (per annum)	7.31%	6.70%	7.49% & 7.46%	7.33% & 6.84%
Salary escalation rate	4.50%	4.50%	0.00%	0.00%
Rate of employee turnover	17.24%	11.89%	20.87%	0.00%

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

₹ in Lakhs

Particulars	Gratuity (Funded)		Others (Post Retirement medical and non compete fees) (Non funded)	
	As at 31 st Mar., 2023	As at 31 st Mar., 2022	As at 31 st Mar., 2023	As at 31 st Mar., 2022
Opening Net Liability	165.31	159.96	240.60	301.70
Expenses Recognized in Statement of Profit or Loss	53.41	27.27	16.54	19.02
Expenses Recognized in OCI	24.70	20.08	(10.40)	(41.68)
Benefit Paid Directly by the Employer	-	-	(31.15)	(38.44)
Employer's Contribution	(203.00)	(42.00)	-	-
Net Liability Recognized in the Balance Sheet	40.42	165.31	215.60	240.60

H. Category of Assets

₹ in Lakhs

Particulars	Gratuity	
	As at 31 st Mar., 2023	As at 31 st Mar., 2022
Government of India Assets (Central and State)		
Insurance fund	706.02	579.82
Total	706.02	579.82

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

I. Other Details

₹ in Lakhs

Particulars	Gratuity		Others (Post Retirement medical and non compete fees)	
	As at 31 st Mar., 2023	As at 31 st Mar., 2022	As at 31 st Mar., 2023	As at 31 st Mar., 2022
Number of Active Members	511	562	-	-
Per Month Salary for Active Members (₹ in Lakhs)	96.87	98.70	-	-
Weighted Average Duration of the Projected Benefit Obligation	4	5	-	-
Average Expected Future Service (Years)	4	6	-	-
Projected Benefit Obligation (PBO) (₹ in Lakhs)	746.44	745.13	215.59	240.60
Prescribed Contribution For Next Year (12 Months) (₹ in Lakhs)	96.87	98.70	-	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

J. Cash Flow Projection: From the Fund

₹ in Lakhs

Projected Benefits Payable in Future Years From the Date of Reporting	Estimated for the Year ended 31 st Mar., 2023	Estimated for the Year ended 31 st Mar., 2022	Estimated for the Year ended 31 st Mar., 2023	Estimated for the Year ended 31 st Mar., 2022
	Gratuity		Other Post Employment Benefits	
1 st Following Year	213.31	140.43	33.01	33.31
2 nd Following Year	138.21	122.16	33.01	33.31
3 rd Following Year	118.68	144.45	33.01	33.31
4 th Following Year	132.87	90.86	33.01	33.31
5 th Following Year	74.56	92.60	33.01	33.31
Sum of Years 6 To 10	160.69	231.18	165.07	166.57
Sum of Years 11 and above	81.49	162.15	-	-

K. Sensitivity Analysis

₹ in Lakhs

	As at 31 st Mar., 2023	As at 31 st Mar., 2022
	Gratuity	
Impact of +1% Change in Rate of Discounting	(17.52)	(24.65)
Impact of -1% Change in Rate of Discounting	18.76	26.87
Impact of +1% Change in Rate of Salary Increase	19.10	25.56
Impact of -1% Change in Rate of Salary Increase	(18.15)	(24.44)
Impact of +1% Change in Rate of Employee Turnover	1.44	2.39
Impact of -1% Change in Rate of Employee Turnover	(1.58)	(2.65)

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

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

L. Provident Fund

The Company has established 'Forbes & Company Ltd. Employees Provident Fund' in respect of all the employees to which both the employee and employer make contribution equal to 12% of the employees' basic salary respectively. The Company's contribution to the provident fund for all employees, are charged to the Statement of Profit and Loss. In case of any liability arising due to shortfall between the return from its investments and the administered interest rate, the same is required to be provided for by the Company. In accordance with the recent actuarial valuation, there is no deficiency in the interest cost as the present value of expected future earnings of the fund is greater than the expected amount to be credited to the individual members based on the expected guaranteed rate of interest.

₹ in Lakhs

Particulars	Year ended 31 st Mar., 2023	Year ended 31 st Mar., 2022
Company's contribution to the provident fund	100.91	89.41

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

Assumptions used in determining the present value obligation of the interest rate guarantee are as follows:

Particulars	Year ended 31 st Mar., 2023	Year ended 31 st Mar., 2022
Approach used	Deterministic	<i>Deterministic</i>
Increase in compensation levels	4.50%	<i>4.50%</i>
Discount Rate	7.31%	<i>6.70%</i>
Attrition Rate	17.24%	<i>11.89%</i>
Reinvestment Period on Maturity	5 years	<i>5 years</i>
Expected Guaranteed Interest Rate	8.15%	<i>8.10%</i>
Average Expected Future Service	4 years	<i>6 years</i>
Average Term to Maturity	4 years	<i>4 years</i>
Mortality Rate	Indian Assured Lives Mortality (2006-08) Ultimate	<i>Indian Assured Lives Mortality (2006-08) Ultimate</i>

Particulars	Year ended 31 st Mar., 2023	Year ended 31 st Mar., 2022
Plan assets as year end, at fair value	3,777.31	<i>3,589.90</i>
Present value of benefit obligation at year end	3,554.00	<i>3,374.11</i>

M. The liability for Compensated absences (Non – Funded) as at year end is ₹ Nil (Previous year ₹ 301.62 Lakhs) (Refer Note 19B).

The Company provides for encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment / availment. The Company makes provision for compensated absences based on an actuarial valuation carried out at the end of the year using the Projected Unit Credit method. Leave obligations not expected to be settled in the next 12 months is ₹ Nil (Previous year ₹ 244.33 Lakhs).

36. Financial Instruments

36.1 Capital Management

The Company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Company consists of net debt (borrowings as detailed in Notes 17, 18B and 22 offset by cash and bank balances) and total equity of the Company.

The Company determines the amount of capital required on the basis of annual as well as long term operating plans and other strategic investment plans. The funding requirements are met through non convertible debt securities or other long-term /short-term borrowings. The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

The capital components of the Company are as given below:

	31 st Mar., 2023	31 st Mar., 2022
		₹ in Lakhs
Total Equity	20,685.17	<i>3,902.20</i>
Short Term Borrowings	-	<i>2,343.24</i>
Long Term Borrowings	1,012.95	<i>5,548.20</i>
Current Maturities of Long Term Borrowings	252.17	<i>2,277.32</i>
Lease Liabilities	539.55	<i>26.18</i>
Total Debt	1,804.67	<i>10,194.94</i>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

	31 st Mar., 2023	31 st Mar., 2022
Cash and Cash equivalents	3,625.93	611.08
Bank balances other than above	1,812.38	289.21
Balance held as margin money with banks with remaining maturity period of more than 12 months	-	1.98
Net Debt	(3,633.63)	9,292.67
Debt Equity ratio	0.09	2.61
Debt Equity Ratio = Total Debt / Total Equity		

36.2 Financial risk management objectives

The Management monitors and manages the financial risks to the operations of the Company. These risks include market risk, credit risk and liquidity risk.

Ratios	Numerator	Denominator	31 st Mar., 2023	31 st Mar., 2022	Variation (%)	Reason for variance
Current Ratio	Current assets	Current liabilities	1.00	0.75	33%	Inventory & Investment in mutual fund has increased & liability has reduced in current year mainly in creditors & provision.
Debt-Equity Ratio	Total debt	Total equity	9%	261%	-97%	During year debt has reduced significantly & Earnings has increased on account of sale of land.
Debt Service Coverage Ratio	Earning for debt	Debt service	4.28	61.12	-93%	Last year earnings has increased significantly on account of exceptional items (Refer Note 53)
Return on Equity Ratio	Net profit after tax	Average shareholders equity.	205%	3949%	-95%	Major variation in profit after tax on account of merger-demerger in the last year. Current year earning increased on account of sale of land.
Inventory turnover ratio	COGS	Average inventory	2.39	2.14	12%	Major variation is on account of product mix in current year as compared with last year.
Trade Receivables turnover ratio	Credit sales	Average trade receivable	8.17	7.13	15%	This is increased mainly on account of increased in sales of Engg division during year & reduced account receivable balance.
Trade payables turnover ratio	Net Credit Purchases	Average Trade Payables	2.05	1.84	12%	During the last year, purchases were higher to maintain the minimum inventory level. Current year trade payable has reduced significantly.
Net capital turnover ratio	Credit sales	working capital	-450.93	-2.65	16926%	Major variance due to improved working capital i.e. Inventory & Investment in mutual fund have increased & liability has reduced in current year mainly in creditors & provision.
Net profit ratio	Net profit after tax	Revenue from operations	102%	1758%	-94%	Major variation in profit after tax on account of merger-demerger in the last year. Current year earning increased on account of sale of land.
Return on Capital employed	Earnings before interest and tax	capital employed	104%	24%	326%	Earnings before interest and tax increased on account of sale of land.
Return on investment	Income generated from invested funds	Average invested funds in treasury investment	9%	23%	-61%	Earnings before interest and tax decreased due to mutual fund.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

36.3 Market Risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates (Refer Note 36.6) and interest rates (Refer Note 36.7). The Company enters into a variety of derivative financial instruments to manage its exposure to foreign currency risk.

36.4 Credit risk management

Trade receivables

Trade receivables are generally unsecured and are derived from revenue earned from customers. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix and forward-looking information and an assessment of the credit risk over the expected life of the financial asset to compute the expected credit loss allowance for trade receivables. Historical experience of collecting receivables of the Company is supported by low level of past default and hence the credit risk is perceived to be low.

Investments in subsidiaries, associates and joint ventures

The Company had invested in various subsidiaries, associates and joint ventures. The approved future business plans and cash flow projections of these entities are evaluated by the management of the Company on an ongoing basis and based on this evaluation the recoverability of the investments is considered to be good. (Also refer Note 8)

Other Financial assets

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are mutual funds and banks with high credit-ratings assigned by credit-rating agencies.

In addition, the Company is exposed to credit risk in relation to the financial guarantees by way of Corporate Guarantee/ Fixed Deposit as a security given to banks on behalf of subsidiaries by the Company. The Company's maximum exposure in this respect is the maximum amount the Company could have to pay if the guarantee is called on is ₹ 69.33 Lakhs as at 31st March, 2023 (*Previous year as at 31st March, 2022 is ₹ 2,784.10 Lakhs*). Based on expectations at the end of the reporting period, the Company considers that it is more likely that such an amount will not be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

36.5 Liquidity Risk

Liquidity Risk refers to insufficiency of funds to meet the financial obligations. Liquidity Risk Management implies maintenance of sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit lines to meet obligations when due.

The Company manages liquidity risk by banking facilities and by continuously monitoring forecast and actual cash flows, and by assessing the maturity profiles of financial assets and liabilities. The below table sets out details of additional undrawn facilities that the Company has at its disposal to further reduce liquidity risk.

The Company has the following undrawn credit lines available as at the end of the reporting period.

	₹ in Lakhs	
	31 st Mar., 2023	31 st Mar., 2022
- Expiring within one year	1,050.00	737.43
- Expiring beyond one year	-	-
	1,050.00	737.43

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the earliest date on which the Company can be required to pay. The tables include both principal and interest cash flows.

₹ in Lakhs

Maturities of Financial Liabilities as at the Balance Sheet date	31 st Mar., 2023			
	Upto 1 year	1 to 3 years	3 to 5 years	5 years & above
Borrowings (includes interest)	312.44	1,037.05	121.80	-
Trade Payables	3,790.20	-	-	-
Other Financial Liabilities	1,269.21	254.49	-	-
Lease liability	11.94	6.47	2.54	9.86
	5,383.79	1,298.01	124.34	9.86

₹ in Lakhs

Maturities of Financial Liabilities as at the Balance Sheet date	31 st Mar., 2022			
	Upto 1 year	1 to 3 years	3 to 5 years	5 years & above
Borrowings (includes interest)	5,236.06	4,008.08	1,985.17	478.90
Trade Payables	4,730.77	-	-	-
Other Financial Liabilities	4,520.83	139.50	-	-
Lease liability	8.93	9.17	3.49	16.87
	14,496.59	4,156.75	1,988.66	495.77

36.6 Derivatives Instruments and unhedged Foreign Currency (FC) exposure

The Company is exposed to Currency Risk arising from its trade exposures and capital/Loan receipt/payments denominated, in other than the Functional Currency. The Company has a Foreign Exchange Risk Management policy within which the treasury has to perform and also lays down the checks and controls to ensure the continuing success of the treasury function. The Company has defined strategies for addressing the risks for each category of exposures (e.g. for exports, for imports, for loans, etc.). The centralised treasury function aggregates the foreign exchange exposure and takes prudent measures to hedge the exposure based on prevalent macro-economic conditions.

a) Particulars of unhedged foreign currency exposures as at the reporting date

Currencies	As at 31 st Mar., 2023						As at 31 st Mar., 2022					
	Advances from customers		Loans and advances to related party		Trade receivables		Advances from customers		Loans and advances to related party		Trade receivables	
	FC in Lakhs	₹ In Lakhs	FC in Lakhs	₹ In Lakhs	FC in Lakhs	₹ In Lakhs	FC in Lakhs	₹ In Lakhs	FC in Lakhs	₹ In Lakhs	FC in Lakhs	₹ In Lakhs
USD	0.20	16.42	-	-	4.34	356.95	0.35	26.83	-	-	6.35	480.06
GBP	-	0.04	-	-	0.78	79.53	-	-	-	-	0.61	60.73
CHF	-	-	564.68	50,728.19	-	-	-	-	564.68	46,220.38	-	-
EUR	0.01	0.71	40.39	3,610.28	-	-	0.00	0.23	4.32	362.94	36.07	3,030.39

Currencies	As at 31 st Mar., 2023				As at 31 st Mar., 2022			
	Advances to vendors		Trade payables		Advances to vendors		Trade payables	
	FC in Lakhs	₹ In Lakhs	FC in Lakhs	₹ In Lakhs	FC in Lakhs	₹ In Lakhs	FC in Lakhs	₹ In Lakhs
USD	0.03	2.47	1.01	83.08	0.31	23.73	3.71	280.50
EUR	0.05	4.47	2.52	224.98	0.02	2.01	4.15	348.88
CHF	-	-	0.03	2.47	-	-	-	-
AUD	-	-	-	-	-	-	2.04	115.59
AED	-	-	0.03	0.67	-	-	0.29	6.03

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

Currencies	As at 31 st Mar., 2023		As at 31 st Mar., 2023	
	Current Account Balances		Current Account Balances	
	FC in Lakhs	₹ In Lakhs	FC in Lakhs	₹ In Lakhs
USD	0.30	24.80	0.81	60.95
EUR	-	-	0.01	0.70

Of the above, the Company is mainly exposed to USD, and EUR. Hence the following table analyses the Company's Sensitivity to a 5% increase and a 5% decrease in the exchange rates of these currencies against INR.

(b) Sensitivity

As at 31st Mar., 2023

₹ in Lakhs

Currencies	Increase/Decrease	Total Assets in FC	Total Liabilities in FC	Impact on exchange rate	Impact on Profit or Loss for the year
USD	Increase by 5%	4.67	1.21	4.11	14.22
USD	Decrease by 5%	4.67	1.21	(4.11)	(14.22)
GBP	Increase by 5%	0.78	-	5.08	3.96
GBP	Decrease by 5%	0.78	-	(5.08)	(3.96)
AUD	Increase by 5%	-	-	2.75	-
AUD	Decrease by 5%	-	-	(2.75)	-
AED	Increase by 5%	-	0.03	1.12	(0.03)
AED	Decrease by 5%	-	0.03	(1.12)	0.03
EUR	Increase by 5%	40.44	2.52	4.47	169.50
EUR	Decrease by 5%	40.44	2.52	(4.47)	(169.50)
CHF	Increase by 5%	564.68	0.03	4.49	2,535.28
CHF	Decrease by 5%	564.68	0.03	(4.49)	(2,535.28)

As at 31st Mar., 2022

₹ in Lakhs

Currencies	"Increase/Decrease"	"Total Assets in FC"	Total Liabilities in FC	Impact on exchange rate	Impact on Profit or Loss for the year
USD	Increase by 5%	7.47	4.06	3.78	12.89
USD	Decrease by 5%	7.47	4.06	(3.78)	(12.89)
GBP	Increase by 5%	0.61	-	4.96	3.03
GBP	Decrease by 5%	0.61	-	(4.96)	(3.03)
AUD	Increase by 5%	-	2.04	2.83	(5.78)
AUD	Decrease by 5%	-	2.04	(2.83)	5.78
AED	Increase by 5%	-	0.29	1.03	(0.30)
AED	Decrease by 5%	-	0.29	(1.03)	0.30
EUR	Increase by 5%	40.42	4.15	4.20	152.33
EUR	Decrease by 5%	40.42	4.15	(4.20)	(152.33)
CHF	Increase by 5%	564.68	-	4.09	2,309.54
CHF	Decrease by 5%	564.68	-	(4.09)	(2,309.54)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued**36.7 Interest rate risk**

Interest rate risk results from changes in prevailing market interest rates, which can cause a change in the fair value of fixed-rate instruments and changes in the interest payments of the variable-rate instruments.

(a) Interest rate risk exposure

The exposure of Company's borrowing to interest rate changes at the end of the year are as follows:

Particulars	As at 31 st Mar., 2023			As at 31 st Mar., 2022		
	Weighted average interest rates	% of total loans	Total Borrowings	Weighted average interest rates	% of total loans	Total Borrowings
Term Loans from Banks	9.25%	100%	1,256.20	9.43%	77%	7,825.52
Cash Credit Facilities	0.00%	0%	-	12.27%	21%	2,095.65
Credit card Facilities	0.00%	0%	-	9.45%	2%	247.59
Total			1,256.20			10,168.76

(b) Sensitivity

The sensitivity of profit / (loss) to changes in interest rates/exchange rates:

Particulars	As at 31 st Mar., 2023	As at 31 st Mar., 2022
Rates increase by 100 basis points*	12.56	99.21
Rates decrease by 100 basis points*	(12.56)	(99.21)

* Holding all other variables constant.

36.8 Fair Value Disclosures**a) Categories of Financial Instruments:**

₹ in Lakhs

	31 st Mar., 2023			31 st Mar., 2022		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial Assets						
Investments *	5,120.58	-	-	0.18	-	-
Loans	-	-	10.61	-	-	0.83
Cash and Bank Balances	-	-	5,438.31	-	-	900.29
Trade Receivables	-	-	2,923.88	-	-	3,144.30
Other Financial Assets	-	-	367.98	-	-	241.75
	5,120.58	-	8,740.78	0.18	-	4,287.17
Financial liabilities						
Borrowings	-	-	1,256.20	-	-	10,168.76
Trade Payables	-	-	3,790.20	-	-	4,730.77
Other Financial Liabilities	-	-	1,532.62	-	-	4,669.23
Lease liability	-	-	539.55	-	-	26.18
	-	-	7,118.57	-	-	19,594.94

* Excludes investments in equity instruments of ₹ 3,915.75 Lakhs (Previous year ₹ 3,660.74 Lakhs) carried at cost less impairment.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

b) Fair Value Hierarchy and Method of Valuation

Except as detailed in the following table, the Company considers that the carrying amounts of financial instruments recognised in the financial statements approximate their fair values.

₹ in Lakhs

Financial Assets	31 st Mar., 2023				
	Carrying Value	Level 1	Level 2	Level 3	Total
Measured at Fair Value through OCI Investments					
Investments in Equity Instruments	5,120.40	5,120.40	-	-	5,120.40
Measured at FVTPL Investments					
Investments in Equity Instruments	0.18	-	-	0.18	0.18

₹ in Lakhs

Financial Assets	31 st Mar., 2022				
	Carrying Value	Level 1	Level 2	Level 3	Total
<i>Measured at FVTPL Investments</i>					
<i>Investments in Equity Instruments</i>	0.18	-	-	0.18	0.18
<i>Investments in debentures</i>	-	-	-	-	-

There is one transfer between level 3 to 1 during the year.

c) Fair value measurements using significant unobservable inputs

The following table presents the changes in level 1 items for the years ended 31st March, 2023.

₹ in Lakhs

	Equity Instruments	Optionally Convertible Debentures	Total
As at 31st Mar., 2022	0.18	-	0.18
Additions during the year	-	-	-
Fair value Gains / Losses recognised in profit or loss	5,120.40	-	5,120.40
Issue / (Redemption) during the year	-	-	-
As at 31st Mar., 2023	5,120.58	-	5,120.58

₹ in Lakhs

	Equity Instruments	Optionally Convertible Debentures	Total
<i>As at 31st Mar., 2021</i>	<i>0.68</i>	<i>496.13</i>	<i>496.81</i>
<i>Additions during the year</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>Fair value Gains / Losses recognised in profit or loss</i>	<i>(0.50)</i>	<i>-</i>	<i>(0.50)</i>
<i>Issue / (Redemption) during the year</i>	<i>-</i>	<i>-496.13</i>	<i>(496.13)</i>
<i>As at 31st Mar., 2022</i>	<i>0.18</i>	<i>-</i>	<i>0.18</i>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continuedd) Valuation Process

The Company engages external valuation consultants to fair value financial instruments measured at FVTPL. The main level 3 inputs used for unlisted equity securities, preference shares and debentures are as follows:

The current market borrowing rates of the Company are compared with relevant market matrices as at the reporting dates to arrive at the discounting rates.

e) Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

The Company consider that the carrying amounts of financial assets and financial liabilities recognised in Note (a) above approximate their fair values.

37. Operating lease arrangements37.1 (i) The Company as lessor

The Company has entered into operating lease arrangements, consisting of surplus space in buildings to others. The normal tenure of the arrangement is upto five years. The rental income from the assets given on lease of ₹ 1,555.34 Lakhs (*Previous year ₹ 1,382.56 Lakhs*) has been disclosed as “Rent and amenities” under Revenue from operations in Note 25 to the Statement of Profit and Loss.

37.1 (ii) Non-cancellable operating lease receivables

₹ in Lakhs

Particulars	As at 31 st Mar., 2023	As at 31 st Mar., 2022
Not later than 1 year	472.77	616.23
Later than 1 year and not later than 5 years	474.25	323.47
Total	947.02	939.70

38. Commitments

Particulars	As at 31 st Mar., 2023	As at 31 st Mar., 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance paid aggregating ₹ 221.74 Lakhs; (<i>Previous year ₹ 33.11 Lakhs</i>))	317.59	147.60
Total	317.59	147.60

b) Other Commitments

The Company has outstanding bank guarantees of ₹ 156.36 Lakhs (*Previous Year ₹ 115.93 Lakhs*).

The Company has outstanding performance guarantees of ₹ 211.56 Lakhs (*Previous Year ₹ 222.86 Lakhs*).

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

39. Contingencies and other commitments

(To the extent not provided for)

₹ in Lakhs

Particulars	As at 31 st Mar., 2023	As at 31 st Mar., 2022
(a) Claims against the Company not acknowledged as debts		
1 Taxes in dispute:-		
i) Excise demand [Advance paid against the demand Nil; (Previous year Nil)]	2,724.52	2,724.52
ii) Sales tax [Advance paid against the demand ₹ 55.06 Lakhs; (Previous year ₹ 55.06 Lakhs)]	400.12	498.44
iii) Income-tax [Advance paid against the demand ₹ 83.70 Lakhs; (Previous year ₹ 83.70 Lakhs)]	4,329.14	4,333.81
iv) Service-tax (Advance paid ₹ 92.25 Lakhs) (Previous year ₹ 92.25 Lakhs)	3,424.49	3,424.49
v) Customs duty [Advance paid ₹ Nil; (Previous year ₹ Nil)]	187.84	101.00
2 Labour matters in dispute	-	11.07
3 Customer claims	3,070.31	3,107.97
4 Other legal matters	232.21	232.21
(b) Other commitments :-		
i) Guarantee on behalf of related parties (Secured by exclusive charge on certain investment properties) *	69.33	2,784.00

Note:

- In respect of the above mentioned items, till the matters are finally decided, the timings of outflow of economic benefits cannot be ascertained.
* Excludes guarantees of ₹ Nil (Previous Year ₹ 6,190.61 Lakhs) which were taken against loans that have been repaid during the year.
- The Company has evaluated the impact of the recent Supreme Court Judgment in case of “Vivekananda Vidyamandir and Others v/s The Regional Provident Fund Commissioner (II) West Bengal” and the related circular (Circular No. C-1/1(33)2019/Vivekananda Vidya Mandir/284) dated 20th March, 2019 issued by the Employees’ Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of “basic wages” of the relevant employees for the purposes of determining contribution to provident fund under the Employees’ Provident Funds & Miscellaneous Provisions Act, 1952. In the assessment of the management which is supported by legal advice, the aforesaid matter is not likely to have a significant impact and accordingly, no provision has been made in these Financial Statements.

40. Related Party Disclosures

(a) Name of the Related Parties and Description of Relationship:

Nature of Relationship	Name of Entity
A Holding Company	Shapoorji Pallonji and Company Private Limited
B Subsidiaries - Direct	Forbes Campbell Finance Limited Forbes Technosys Limited * Campbell Properties & Hospitality Services Limited Volkart Fleming Shipping and Services Limited Forbes Lux International AG EFL Mauritius Limited Forbes Precision Tools and Machine Parts Limited (w.e.f. 30th August, 2022)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

Nature of Relationship	Name of Entity
B Subsidiaries - Indirect	Lux International AG Lux del Paraguay S.A. Lux Welity Polska sp.zo.o. Lux Schweiz AG Lux International Services & Logistics GmbH (Formerly Lux Service GmbH) Lux Oesterreich GmbH Lux Hungaria Kereskedelmi Kft Lux Professional SA (formerly Lux Aqua Paraguay SA) Forbes Campbell Services Limited (upto 29 th September, 2022) Forbes Edumetry Limited (Under liquidation) Forbes Facility Services Private Limited (FFSPL) (up to July 1, 2022)
C Fellow Subsidiaries (where there are transactions/ balances)	Forvol International Services Limited Gokak Textiles Limited Shapoorji Pallonji Oil and Gas Private Limited Sterling and Wilson Private Limited SP Fabricators Private Limited United Motors (India) Private Limited Shapoorji Pallonji Infrastructure Capital Company Limited Paikar Real Estates Private Limited
D Associates - Direct	Nuevo Consultancy Service Limited Shapoorji Pallonji Forbes Shipping Limited (w.e.f 1 st March, 2022)
D Associates - Indirect	Dhan Gaming Solutions (India) Private Limited
E Joint Ventures - Direct	Forbes Concept Hospitality Services Private Limited (Refer note 53) Forbes Macsa Private Limited
E Joint Ventures - Indirect	Forbes Bumi Armada Limited (Subsidiary of Forbes Campbell Finance Ltd.)
F Key Management Personnel ("KMP")	M.C. Tahilyani Managing Director
	Non Executive Directors
	Shapoor P.Mistry Chairman
	Jai L. Mavani Non-Executive Director
	D. Sivanandhan Independent Director
	Rani Jadhav Independent Director
	Nikhil Bhatia Independent Director
G Post employment benefit plan	Forbes & Company Limited Employees Provident Fund
H Companies forming a part of the composite scheme of arrangement (Refer Note 53) (where there are transactions/ balances)	Eureka Forbes Limited (Refer note 53)

The Company has provided letter of support to this subsidiary to finance when it is necessary to do so, subject to approval of the Board of Directors

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

40. Related party disclosures (contd.)

Current Year

b) transactions/ balances with above mentioned related parties

₹ in Lakhs

	Parties in A above	Parties in B above	Parties in C above	Parties in D above	Parties in E above	Parties in F above	Total
Balances							
1	Trade Payables and Capital Creditors*	335.38	32.62	16.73	450.46	-	835.18
2	Interest accrued on investment / loan	-	7,848.81	-	-	-	7,848.81
3	Trade Receivables*	1.58	3,325.23	94.37	10.70	-	3,431.88
4	Advance for Supply of Goods and Services and Prepaid Exps.	31.25	14,518.59	-	-	-	14,549.84
5	Contractually reimbursable expenses	-	248.29	221.01	-	-	469.30
6	Provision for Doubtful Trade Receivables, Financial Assets and Deposits (including interest accrued thereon)	-	61,265.60	-	-	18.19	61,283.79
7	Deposits Payable	-	-	49.25	-	-	49.25
8	Deposits Receivable*	-	35,324.74	-	-	18.19	35,342.93
Transactions							
Purchases / Services							
9	Real estate development expenses	2,049.84	-	-	646.03	-	2,695.87
Sales / Services							
10	Fixed Assets / Investments /Business	-	-	-	-	2.28	2.28
Expenses							
11	Rent	-	7.20	-	-	-	7.20
12	Travelling and conveyance expenses	-	10.45	90.96	-	-	101.41
13	Legal and professional charges	93.01	-	-	-	-	93.01
14	Repairs and Maintenance	100.49	-	4.17	-	-	104.65
15	Selling expenses, commission and brokerage	-	-	139.10	110.50	-	249.60
16	Impairment in Investment in subsidiary Company, Loan and interest accrued thereon /Capital reduction	-	401.00	-	-	-	401.00
17	Provision for doubtful loans and advances / Trade receivable	-	21.05	-	-	18.19	39.24
18	Trade receivables / advances written off / Loss on Capital reduction	-	13,167.00	-	-	-	13,167.00
19	Remuneration	-	-	-	-	318.63	318.63
20	Miscellaneous expenses and security expenses	-	23.31	-	-	-	23.31
21	Dividend paid	6,083.54	108.16	-	-	-	6,191.70
Income							
22	Rent and amenities	11.07	18.80	114.91	-	5.48	150.26
23	Gain on fair value / interest of long-term investments in a subsidiary company / Interest on Inter Corporate Deposits	-	2.35	-	-	1.01	3.36
24	Consideration for share cancelled/ extinguished	-	1.32	-	-	-	1.32
25	Guarantee Commission	-	0.24	-	-	-	0.24
26	Reversal of Prov. for dim. In value of investments	-	13,167.00	-	-	-	13,167.00
27	Miscellaneous Income	-	7.35	-	-	-	7.35
Other Receipts / Payments							
28	Other Reimbursements (Receipt)	-	5.20	75.85	-	2.68	83.74
29	Other Reimbursements (Payment)	-	1.90	129.89	65.48	-	197.27
Finance							
30	Deposit Given	-	3,835.00	-	-	-	3,835.00
31	Repayment of Deposits Given	-	650.00	-	-	-	650.00
32	Purchase / Subscriptions to Investments	-	5.00	-	-	-	5.00
33	Share Application Money Paid	-	-	-	-	250.00	250.00

For details of investments in subsidiaries, associates and joint ventures Refer Note 8

Terms and conditions:-

- All outstanding balances are unsecured and are repayable as per terms of credit and settlement occurs in cash.
- All related party transactions entered during the year were in ordinary course of business and on arms length basis.
- The Company has not recorded any impairment of receivables related to amounts owed by related parties except as stated above.
- 6% Non- Cumulative Non- Convertible Redeemable Pref. Shares Qty 132600 of INR 10 each in Forbes Technosys Ltd. are fully provided.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

40. Related party disclosures (contd.) Current Year	(b) transactions/ balances with above mentioned related parties										₹ in Lakhs		
	A	B	B	B	B	B	B	B	B	B	B	B	B
	Shapoorji Pallonji and Company Private Ltd.	EFL Mauritius Ltd.	Forbes Facility Services Private Ltd.	Forbes Lux International AG	Lux International AG	Forbes Campbell Finance Ltd.	Forbes Technology Ltd.**	Shapoorji Pallonji Shipping Limited	Campbell Properties & Hospitality Services Ltd.	Forbes Precision Tools & Machine Parts Limited	Volkart Fleming Shipping & Services Ltd.	Afcons Infrastructure Ltd.*	
Balances													
1	Trade Payables and Capital Creditors	335.58	-	-	***	-	-	-	***	-	-	-	-
2	Interest accrued on investment / loan	-	-	7,722.03	-	-	-	-	-	-	-	-	-
3	Trade Receivables	***	-	-	3,223.84	-	-	-	-	-	-	-	***
4	Advance for Supply of Goods and Services and Prepaid Exps.	***	***	-	-	-	248.23	-	-	***	-	-	-
5	Contractually reimbursable expenses	-	-	-	-	-	-	-	-	-	-	-	-
6	Provision for Doubtful Trade Receivables, Financial Assets and Deposits (including interest accrued thereon)	-	***	-	***	-	6,927.13	-	-	-	-	-	-
7	Deposits Payable	-	-	-	-	-	-	-	-	-	-	-	-
8	Deposits Receivable	-	-	28,874.01	-	-	6,450.73	-	-	-	-	-	-
	Transactions												
	Purchases / Services												
9	Real estate development expenses	2,049.84	-	-	-	-	-	-	-	-	-	-	-
10	Sales / Services												
	Fixed Assets / Investments / Business												
	Expenses												
11	Rent	-	-	-	-	7.20	-	-	-	-	-	-	-
12	Travelling and conveyance expenses	-	-	-	-	-	-	-	10.45	-	-	-	-
13	Legal and professional charges	93.01	-	-	-	-	-	-	-	-	-	-	-
14	Repairs and Maintenance	100.49	-	-	-	-	-	-	-	-	-	-	-
15	Selling expenses, commission and brokerage	-	-	-	-	-	-	-	-	-	-	-	-
16	Impairment in Investment in subsidiary Company, Loan and interest accrued thereon	-	-	-	-	-	401.00	-	-	-	-	-	-
17	Trade receivable	-	-	-	-	-	21.05	-	-	-	-	-	-
18	Trade receivables / advances written off / Provision for doubtful loans and advances /	-	-	-	-	-	13,167.00	-	-	-	-	-	-
19	Loss on Capital reduction	-	-	-	-	-	-	-	-	-	-	-	-
20	Remuneration	-	-	-	-	-	-	-	-	-	-	-	-
21	Miscellaneous expenses and security expenses	-	-	7.77	-	-	15.54	-	-	-	-	-	-
22	Dividend paid	6,083.54	-	-	-	***	-	-	-	-	-	-	-
	Income												
22	Rent and amenities	***	-	-	-	-	***	***	-	-	-	-	-
23	Gain on fair value / interest of long-term investments in a subsidiary company /	-	-	-	-	-	-	-	-	-	-	-	-
24	Interest on Inter Corporate Deposit extinguished	-	-	-	2.35	-	-	-	-	-	-	-	-
25	Guarantee Commission	-	-	-	-	-	1.32	-	-	-	-	-	-
26	Reversal of Prov. for dem. In value of investments	-	-	-	-	-	0.24	-	-	-	-	-	-
27	Miscellaneous Income	-	-	-	***	***	13,167.00	1.35	-	-	***	-	-
	Other Receipts / Payments												
28	Other Reimbursements (Receipt)	-	-	-	-	-	***	***	-	-	-	-	-
29	Other Reimbursements (Payment)	-	-	-	-	-	***	***	-	-	-	-	-
	Finance												
30	Deposit Given	-	-	-	-	650.00	3,185.00	-	-	-	-	-	-
31	Repayment of Deposits Given	-	-	-	650.00	-	-	-	-	-	-	-	-
32	Purchase / Subscriptions to Investments	-	-	-	-	-	-	-	-	-	-	-	-
33	Share Application Money Paid	-	-	-	-	-	-	-	-	-	-	-	5.00

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

40. Related party disclosures (contd.)
Current Year

(b) transactions/ balances with above mentioned related parties

₹ in Lakhs

	C	C	C	C	C	C	C	C	C	C	C	C	C
	Forval Information- al Services Ltd.	Gokak Tex- tiles Ltd.	Gossip Properties Pvt Ltd*	Next Gen Publishing Ltd.*	Paikar Real Estates Pvt. Ltd.	Rela- tionship Properties Private Ltd*	Shapoorji Pallonji In- frastructure Capital Co. Pvt. Ltd.	Shapoorji Pallonji Energy Pvt. Ltd.	Sterling And Wilson Renewable Energy Ltd.	United Mo- tors (India) Private Ltd.	HPCL Shapoorji Energy Pri- vate Ltd.*	Coventry Properties Pvt Ltd.*	
Balances													
1 Trade Payables and Capital Creditors	***	-	-	-	***	-	-	-	-	-	-	-	
2 Interest accrued on investment/ loan	-	-	-	***	-	-	-	-	-	-	***	-	
3 Trade Receivables	-	-	***	-	-	-	-	-	-	-	-	***	
4 Advance for Supply of Goods and Services and Prepaid Exps.	-	-	-	-	214.22	-	-	-	-	-	-	-	
5 Contrarily reimbursable expenses	-	***	-	-	-	-	-	-	-	-	-	-	
6 Provision for Doubtful Trade Receivables, Financial Assets and Deposits (including interest accrued thereon)	-	-	-	-	-	-	-	-	-	-	-	-	
7 Deposits Payable	-	-	-	-	-	-	48.25	-	-	-	-	-	
8 Deposits Receivable	-	-	-	-	-	-	-	-	-	-	-	-	
Transactions													
Purchases / Services													
9 Real estate development expenses	-	-	-	-	-	-	-	-	-	-	-	-	
10 Fixed Assets / Investments /Business	-	-	-	-	-	-	-	-	-	-	-	-	
Sales / Services													
Expenses													
11 Rent	90.96	-	-	-	-	-	-	-	-	-	-	-	
12 Travelling and conveyance expenses	-	-	-	-	-	-	-	-	-	-	-	-	
13 Legal and professional charges	-	-	-	-	-	-	-	-	***	-	-	-	
14 Repairs and Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	
15 Selling expenses, commission and brokerage	139.10	-	-	-	-	-	-	-	-	-	-	-	
16 Impairment in Investment in subsidiary Company, Loan and interest accrued thereon	-	-	-	-	-	-	-	-	-	-	-	-	
17 Provision for doubtful loans and advances /	-	-	-	-	-	-	-	-	-	-	-	-	
18 Trade receivable	-	-	-	-	-	-	-	-	-	-	-	-	
19 Trade receivables / advances written off /	-	-	-	-	-	-	-	-	-	-	-	-	
20 Loss on Capital reduction	-	-	-	-	-	-	-	-	-	-	-	-	
21 Remuneration	-	-	-	-	-	-	-	-	-	-	-	-	
22 Miscellaneous expenses and security expenses	-	-	-	-	-	-	-	-	-	-	-	-	
23 Dividend paid	-	-	-	-	-	-	-	-	-	-	-	-	
Income													
22 Rent and amenities	***	-	-	-	-	-	-	-	-	-	-	-	
23 Gain on fair value / interest of long-term investments in a subsidiary company /	-	-	-	-	-	-	110.98	-	-	-	-	-	
24 Interest on Inter Corporate Deposit extinguished	-	-	-	-	-	-	-	-	-	-	-	-	
25 Guarantee Commission	-	-	-	-	-	-	-	-	-	-	-	-	
26 Reversal of Prov. for dem. In value of investments	-	-	-	-	-	-	-	-	-	-	-	-	
27 Miscellaneous Income	-	-	-	-	-	-	-	-	-	-	-	-	
Other Receipts / Payments													
28 Other Reimbursements (Receipt)	***	-	-	-	72.68	-	-	-	-	-	-	-	
29 Other Reimbursements (Payment)	-	-	-	-	129.89	-	-	-	-	***	-	-	
Finance													
30 Deposit Given	-	-	-	-	-	-	-	-	-	-	-	-	
31 Repayment of Deposits Given	-	-	-	-	-	-	-	-	-	-	-	-	
32 Purchase / Subscriptions to Investments	-	-	-	-	-	-	-	-	-	-	-	-	
33 Share Application Money Paid	-	-	-	-	-	-	-	-	-	-	-	-	

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

40. Related party disclosures (contd.)
Current Year

(b) transactions/ balances with above mentioned related parties

₹ in Lakhs

	C	C	C	C	C	C	C	D	E	E	F
	S D corpo- ration Pvt Ltd.*	Sd SVP Nagar Re- development Pvt Ltd.*	Shapoorji Pallonji De- velopment Manager Pvt. Ltd.	Shapoorji Pallonji In- frasturcture Pvt Ltd.*	Shapoorji Pallonji Real estate Pvt Ltd.*	Stone Steel Prefab* Service Ltd.*	Neuvo Consultancy Service Ltd.	Forbes Pvt Macsa Pvt Ltd (Joint Venture)	Forbes Con- cept Hospi- tality Services Private Ltd	Managing Director, Mr. M.C. Tahilyani	
Balances											
1 Trade Payables and Capital Creditors	-	-	-	-	-	-	450.46	-	-	-	-
2 Interest accrued on investment / loan	-	-	-	-	-	-	-	-	-	-	-
3 Trade Receivables	***	***	***	***	***	***	***	-	-	-	-
4 Advance for Supply of Goods and Services and Prepaid Exps.	-	-	-	-	-	-	-	-	-	-	-
5 Contractually reimbursable expenses	-	-	-	-	-	-	-	-	-	-	-
6 Provision for Doubtful Trade Receivables, Financial Assets and Deposits (including interest accrued thereon)	-	-	-	-	-	-	-	-	***	-	-
7 Deposits Payable	-	-	-	-	-	-	-	-	-	-	-
8 Deposits Receivable	-	-	-	-	-	-	-	-	-	***	-
Transactions											
Purchases / Services											
9 Real estate development expenses	-	-	-	-	-	-	646.03	-	-	-	-
10 Sales / Services	-	-	-	-	-	-	-	2.28	-	-	-
Expenses											
11 Rent	-	-	-	-	-	-	-	-	-	-	-
12 Travelling and conveyance expenses	-	-	-	-	-	-	-	-	-	-	-
13 Legal and professional charges	-	-	-	-	-	-	-	-	-	-	-
14 Repairs and Maintenance	-	-	-	-	-	-	-	-	-	-	-
15 Selling expenses, commission and brokerage	-	-	-	-	-	-	110.50	-	-	-	-
16 Impairment in Investment in subsidiary Company, Loan and interest accrued thereon	-	-	-	-	-	-	-	-	-	-	-
17 Provision for doubtful loans and advances / Trade receivable	-	-	-	-	-	-	-	-	18.19	-	-
18 Trade receivables / advances written off / Loss on Capital reduction	-	-	-	-	-	-	-	-	-	-	-
19 Remuneration	-	-	-	-	-	-	-	-	-	-	318.63
20 Miscellaneous expenses and security expenses	-	-	-	-	-	-	-	-	-	-	-
21 Dividend paid	-	-	-	-	-	-	-	-	-	-	-
Income											
22 Rent and amenities	-	-	-	-	-	-	-	***	-	-	-
23 Gain on fair value / interest of long-term investments in a subsidiary company / Interest on Inter Corporate Deposit	-	-	-	-	-	-	-	-	1.01	-	-
24 Consideration for share cancelled/ extinguished	-	-	-	-	-	-	-	-	-	-	-
25 Guarantee Commission	-	-	-	-	-	-	-	-	-	-	-
26 Reversal of Prov. for dem. In value of investments	-	-	-	-	-	-	-	-	-	-	-
27 Miscellaneous Income	-	-	-	-	-	-	-	-	-	-	-
Other Receipts / Payments											
28 Other Reimbursements (Receipt)	-	-	-	-	-	-	-	65.48	-	-	-
29 Other Reimbursements (Payment)	-	-	-	-	-	-	-	-	-	***	-
Finance											
30 Deposit Given	-	-	-	-	-	-	-	-	-	-	-
31 Repayment of Deposits Given	-	-	-	-	-	-	-	-	-	-	-
32 Purchase / Subscriptions to Investments	-	-	-	-	-	-	-	-	-	-	-
33 Share Application Money Paid	-	-	-	-	-	-	-	250.00	-	-	-

*** Amounts are below the threshold adopted by the Company (i.e. less than 10% of the respective category of transactions).

@ Transactions related to Merger/ Demerger of EFL.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

Parties in F :

Key Managerial Personnel Remuneration

Particulars	₹ in Lakhs	
	31 st March, 2023	31 st March, 2022
Short-term employee benefits	309.00	361.16
Post-employment benefits *	8.13	7.21
Long-term employee benefits	1.50	2.75
	318.63	371.12

* The above amounts do not include expenses for gratuity and leave encashment since actuarial valuation is carried out at an overall level. Bonus is disclosed on payment basis.

Directors Sitting Fees:

Name	31 st March, 2023	31 st March, 2022
D. Sivanandhan	10.00	10.00
Shapoor P. Mistry	0.50	1.50
Jai L. Mavani	5.00	5.50
Rani Jadhav	5.50	5.00
Nikhil Bhatia	10.50	9.50
Total	31.50	31.50

Parties in G

Contribution to Post Employment Benefit Plan:

Particulars	31 st March, 2023	31 st March, 2022
Forbes & Company Limited Employees Provident Fund	100.91	89.41
	100.91	89.41

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

40. Related party disclosures (contd.)

Previous Year

(b) transactions/ balances with above mentioned related parties

₹ in Lakhs

	Parties in A above	Parties in B above	Parties in C above	Parties in D above	Parties in G above	Parties in H above	Total
<i>Balances</i>							
1	Trade Payables and Capital Creditors	564.35	13.73	4.57	371.47	-	954.12
2	Interest accrued on investment / loan	-	7,162.62	-	-	-	7,162.62
3	Trade Receivables	1.95	3,131.56	2.04	-	-	3,135.55
4	Advance for Supply of Goods and Services and Prepaid Exps.	29.01	13,239.59	-	-	-	13,268.60
5	Contractually reimbursable expenses (Gross)	-	241.29	8.03	-	65.15	314.47
6	Provision for Doubtful Trade Receivables, Financial Assets and Deposits (including interest accrued thereon)	-	53,335.14	-	-	-	53,335.14
7	Deposits Payable	-	30.01	49.25	-	-	79.26
8	Deposits Receivable	-	29,573.94	-	-	-	29,573.94
9	Guarantees Given	-	2,784.00	-	-	-	2,784.00
<i>Transactions</i>							
<i>Purchases / Services</i>							
10	Real estate development expenses	2,440.40	-	-	516.27	-	2,956.67
11	Fixed Assets/ Goods & Materials	-	3.67	-	-	-	3.67
<i>Sales / Services</i>							
12	Income from real estate contracts	-	-	-	-	-	-
<i>Expenses</i>							
13	Rent	-	7.20	-	-	-	7.20
14	Travelling and conveyance expenses	-	4.92	33.12	-	-	38.04
15	Legal and professional charges	106.33	-	-	-	-	106.33
16	Repairs and Maintenance	90.55	0.08	5.12	-	-	95.75
17	Selling expenses, commission and brokerage	-	-	-	96.40	-	96.40
18	Impairment in Investment in subsidiary Company, Loan and interest accrued thereon	-	43,758.03	-	-	-	43,758.03
19	Remuneration	-	-	-	-	371.12	371.12
20	Miscellaneous expenses and security expenses	-	54.37	-	-	-	54.37
<i>Income</i>							
21	Rent and amenities	3.74	25.65	117.07	-	-	146.46
22	Gain on fair value / interest of long-term investments in a subsidiary company / Interest on Inter Corporate Deposits	-	177.21	-	-	-	177.21
23	Guarantee Commission	-	23.66	-	-	-	23.66
24	Miscellaneous Income	-	11.40	0.00	-	-	11.40
<i>Other Receipts / Payments</i>							
25	Other Reimbursements (Receipt)	-	68.52	88.02	-	-	156.54
26	Other Reimbursements (Payment)	-	1.29	1.20	139.84	-	142.33
<i>Finance</i>							
27	Deposit Given	-	4,748.23	-	-	-	4,748.23
28	Repayment of Deposits Given	-	15.00	-	-	-	15.00
29	Purchase / Subscriptions to Investments	-	4,800.00	-	-	-	4,800.00
30	Redemption of Investment	-	1,726.75	-	-	-	1,726.75
31	Real estate advances received from customers	-	-	166.31	-	-	166.31

For details of investments in subsidiaries, associates and joint ventures Refer Note 8

Terms and conditions:-

- All outstanding balances are unsecured and are repayable as per terms of credit and settlement occurs in cash.
- All related party transactions entered during the year were in ordinary course of business and on arms length basis.
- The Company has not recorded any impairment of receivables related to amounts owed by related parties except as stated above.
- Parties in B above includes EFL Mauritius Ltd., Forbes Lux International AG and Lux International AG for Transactions related to Merger/ Demerger of EFL.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

40. Related party disclosures (contd.)
Previous Year

(b) transactions/ balances with above mentioned related parties

	₹ in Lakhs										
	A	B	B	B	B	B	B	B	B	B	B
	Shapoorji Pallonji Company Private Ltd.	Eureka Forbes Ltd.	EFL Mauritius Ltd. @	Forbes Facility Services Private Ltd.	Forbes Lux International AG @	Lux International AG @	Forbes Campbell Finance Ltd.	Forbes Campbell Services Ltd.	Forbes Technosys Ltd.	Shapoorji Pallonji Forbes Shipping Limited	Campbell Properties & Hospitality Services Ltd.
Balances											
1 Trade Payables and Capital Creditors	564.35	-	-	***	-	-	***	***	-	-	***
2 Interest accrued on investment / loan	***	-	-	-	7,035.84	-	-	-	***	-	-
3 Trade Receivables	-	-	-	-	3,030.39	-	-	-	***	-	-
4 Advance for Supply of Goods and Services and Prepaid Exps.	***	-	***	-	12,876.34	-	-	-	241.01	-	-
5 Contractually reimbursable expenses (Gross)	-	-	-	-	-	-	-	-	-	-	-
6 Provision for Doubtful Trade Receivables, Financial	-	-	-	-	46,220.38	-	-	-	-	-	-
7 Assets and Deposits (including interest accrued thereon)	-	-	-	-	30.01	-	-	-	-	-	-
8 Deposits Payable	-	-	-	-	26,308.21	-	-	-	3,265.73	-	-
9 Guarantees Given	-	-	-	-	-	-	-	-	2,784.00	-	-
Transactions											
10 Purchases / Services	2,440.40	-	-	-	-	-	-	-	-	-	-
11 Real estate development expenses	-	3.67	-	-	-	-	-	-	-	-	-
12 Fixed Assets/ Goods & Materials	-	-	-	-	-	-	-	-	-	-	-
13 Sales / Services	-	-	-	-	-	-	-	-	-	-	-
14 Income from real estate contracts	-	-	-	-	-	-	-	-	-	-	-
15 Expenses	-	-	-	-	-	-	-	-	-	-	-
16 Rent	-	-	-	-	-	-	7.20	-	-	-	4.92
17 Travelling and conveyance expenses	-	-	-	-	-	-	-	-	-	-	-
18 Legal and professional charges	106.33	-	-	-	-	-	-	-	-	-	-
19 Repairs and Maintenance	90.55	***	-	-	-	-	-	-	-	-	-
20 Selling expenses, commission and brokerage	-	-	-	-	-	-	-	-	-	-	-
21 Impairment in Investment in subsidiary Company, Loan and interest accrued thereon	-	-	-	-	30,207.48	***	-	-	7,517.23	***	-
22 Remuneration	-	-	-	-	-	-	-	-	-	-	-
23 Miscellaneous expenses and security expenses	-	-	-	26.21	-	-	-	27.78	***	-	-
Income											
24 Rent and amenities	***	-	-	-	-	-	-	-	***	19.65	-
25 Gain on fair value / interest of long-term investments in a subsidiary company / Interest on Inter Corporate Deposit	-	-	-	-	-	-	27.97	-	18.83	130.40	-
26 Guarantee Commission	-	-	-	-	-	-	***	***	21.11	2.55	-
27 Miscellaneous Income	-	-	-	-	-	-	-	***	6.00	5.40	-
28 Other Receipts / Payments	-	-	-	-	-	-	-	-	-	-	-
29 Other Reimbursements (Receipt)	-	60.33	-	-	-	-	-	***	***	***	***
30 Other Reimbursements (Payment)	-	-	-	-	-	-	-	-	-	-	-
Finance											
31 Deposit Given	-	-	-	-	-	-	-	-	-	-	-
32 Repayment of Deposits Given	-	-	-	-	-	-	-	-	4,748.23	-	-
33 Purchase / Subscriptions to Investments	-	-	-	-	-	-	-	-	15.00	-	-
34 Redemption of Investment	-	-	-	-	-	-	-	-	4,800.00	-	-
35 Real estate advances received from customers	-	-	-	-	-	-	1,726.75	-	-	-	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

(b) transactions/ balances with above mentioned related parties

		₹ in Lakhs										
		B	C	C	C	C	C	C	C	C	H	
		Volkart Fleming Shipping & Services Ltd.	Forvol International Services Ltd.	Gokak Textiles Ltd.	Paikar Real Estates Pvt. Ltd.	Shapoorji Pallonji Infrastructure Capital Co. Ltd.	Shapoorji Pallonji Oil & Gas Private Ltd.	SP Fabricators Private Ltd.	Sterling and Wilson Solar Ltd.	United Motors (India) Ltd.	Nuevo Consultancy Service Ltd.	Eureka Forbes Ltd.
1	Balances	-	-	-	-	-	-	-	-	-	-	-
2	Trade Payables and Capital Creditors	-	-	-	-	-	-	-	-	-	-	-
3	Interest accrued on investment / loan	-	-	-	-	-	-	-	-	-	-	-
4	Trade Receivables	***	-	***	-	***	-	-	-	-	371.47	-
5	Advance for Supply of Goods and Services and Prepaid Exps.	-	-	-	-	-	-	-	-	-	-	-
6	Contractually reimbursable expenses (Gross)	***	***	***	***	-	-	-	-	-	-	65.15
7	Provision for Doubtful Trade Receivables, Financial Assets and Deposits (including interest accrued thereon)	-	-	-	-	-	-	-	-	-	-	-
8	Deposits Payable	-	-	-	-	-	48.25	-	-	-	-	-
9	Deposits Receivable	-	-	-	-	-	-	-	-	-	-	-
10	Guarantees Given	-	-	-	-	-	-	-	-	-	-	-
11	Transactions	-	-	-	-	-	-	-	-	-	-	-
12	Purchases / Services	-	-	-	-	-	-	-	-	-	-	-
13	Real estate development expenses	-	-	-	-	-	-	-	-	-	516.27	-
14	Fixed Assets/ Goods & Materials	-	-	-	-	-	-	-	-	-	-	-
15	Sales / Services	-	-	-	-	-	-	-	-	-	-	-
16	Income from real estate contracts	-	-	-	-	-	-	-	-	-	-	-
17	Expenses	-	-	-	-	-	-	-	-	-	-	-
18	Rent	-	-	-	-	-	-	-	-	-	-	-
19	Travelling and conveyance expenses	-	-	-	-	-	-	-	-	-	-	-
20	Legal and professional charges	-	-	-	-	-	-	-	-	-	-	-
21	Repairs and Maintenance	-	-	-	-	-	-	-	-	-	-	-
22	Selling expenses, commission and brokerage	-	-	-	-	-	-	-	-	-	-	-
23	Impairment in Investment in subsidiary Company, Loan and interest accrued thereon	-	-	-	-	-	-	-	-	-	96.40	-
24	Miscellaneous expenses and security expenses	-	-	-	-	-	-	-	-	-	-	-
25	Income	-	-	-	-	-	-	-	-	-	-	-
26	Rent and amenities	-	***	-	-	-	-	-	-	***	-	-
27	Gain on fair value / interest of long-term investments in a subsidiary company / Interest on Inter Corporate Deposit	-	-	-	-	-	110.98	-	-	-	-	-
28	Guarantee Commission	-	-	-	-	-	-	-	-	-	-	-
29	Miscellaneous Income	***	-	***	-	-	-	-	-	-	-	-
30	Other Receipts / Payments	-	***	-	-	-	-	-	-	-	-	-
31	Other Reimbursements (Receipt)	-	-	-	87.57	-	-	-	-	-	139.84	-
32	Other Reimbursements (Payment)	-	-	-	***	-	-	-	-	-	-	-
33	Finance	-	-	-	-	-	-	-	-	-	-	-
34	Deposit Given	-	-	-	-	-	-	-	-	-	-	-
35	Repayment of Deposits Given	-	-	-	-	-	-	-	-	-	-	-
36	Purchase / Subscriptions to Investments	-	-	-	-	-	-	-	-	-	-	-
37	Redemption of Investment	-	-	-	-	-	-	-	-	-	-	-
38	Real estate advances received from customers	-	-	-	-	-	-	-	-	166.31	-	-

*** Amounts are below the threshold adopted by the Company (i.e. less than 10% of the respective category of transactions).

@ Transactions relate to Merger/ Demerger of EFL.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

41. Segment reporting

The Chief Operating Decision maker of the Company examines Company's performance both from a product and from a geographic perspective. From a product perspective, the management has identified the reportable segments Engineering and Real Estate at standalone level.

Segment revenue, segment results, segment assets and segment liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

Details of product categories included in each segment comprises:

Engineering Segment includes manufacture/ trading in Precision Cutting Tools, Spring Lock Washers and Marking Systems. The Company caters to the needs of domestic and export markets.

Real Estate includes income from renting out investment properties and revenue from real estate development project.

Unallocable Corporate Assets mainly comprises of investments, tax receivables and other unallocable assets.

Unallocable Liabilities comprise borrowings, provisions and other unallocable liabilities not identifiable to any specific segment.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

(a) Information about reportable segments for the year:

Particulars	Engineering		Real Estate		Total		Elimination		Total	
	31st Mar., 2023	31st Mar., 2022	31st Mar., 2023	31st Mar., 2022	31st Mar., 2023	31st Mar., 2022	31st Mar., 2023	31st Mar., 2022	31st Mar., 2023	31st Mar., 2022
	22,987.45	20,631.38	1,793.41	2,873.13	24,780.86	23,504.51	(1.58)	(2.11)	24,780.86	23,504.51
Segment Revenue	-	-	1,793.41	2,873.13	24,780.86	23,504.51	(1.58)	(2.11)	24,780.86	23,504.51
Inter segment revenue	-	-	1.58	2.11	1.58	2.11	-	-	-	-
Revenue from operations	22,987.45	20,631.38	1,794.99	2,875.24	24,782.44	23,506.62	(1.58)	(2.11)	24,780.86	23,504.51
Segment Results	2,459.79	2,975.28	21,038.78	736.25	23,498.57	3,711.53	-	-	23,498.57	3,711.53
Exceptional items allocated to segments	-	-	(1.49)	-	(1.49)	-	-	-	(1.49)	-
Segment Results - (including exceptional items relating to segment)	2,459.79	2,975.28	21,037.29	736.25	23,497.08	3,711.53	-	-	23,497.08	3,711.53
Add: Unallocated income - Refer Note below	-	-	-	-	-	-	-	-	365.25	814.58
Add/Less: Unallocated expenses	-	-	-	-	-	-	-	-	(1,228.67)	(1,146.99)
Add/Less: Exceptional items other than related to segments (net)	-	-	-	-	-	-	-	-	2,906.88	4,10,091.01
Profit before tax and finance costs	-	-	-	-	-	-	-	-	25,540.54	4,13,470.13
Less: Finance costs	-	-	-	-	-	-	-	-	818.44	1,234.64
Profit before tax	-	-	-	-	-	-	-	-	24,722.10	4,12,235.49
Provision for taxation:	-	-	-	-	-	-	-	-	269.66	-
Current tax expense	-	-	-	-	-	-	-	-	51.80	-
(Excess) / short provision for tax of earlier years	-	-	-	-	-	-	-	-	541.47	(1,058.72)
Profit after tax	-	-	-	-	-	-	-	-	23,859.17	4,13,294.21
Capital employed	15,575.63	16,582.49	18,823.94	15,774.92	34,399.57	32,357.41	-	-	18,419.99	13,387.32
Segment assets	-	-	-	-	-	-	-	-	52,819.56	45,744.73
Unallocated corporate assets	-	-	-	-	-	-	-	-	30,774.59	27,052.81
Total assets	4,336.66	8,315.83	26,437.93	18,736.98	1,359.78	14,789.72	-	-	32,134.37	41,842.53
Segment liabilities	-	-	-	-	-	-	-	-	20,685.19	3,902.20
Unallocated corporate liabilities	-	-	-	-	-	-	-	-	-	-
Total liabilities	11,238.97	8,266.66	(7,613.99)	(2,962.06)	618.63	1,322.14	-	-	618.63	1,322.14
Capital employed	603.76	1,299.67	14.87	22.47	-	2,348.55	-	-	-	-
Cost incurred to acquire segment assets including adjustments on account of capital work-in-progress	1,210.05	1,179.54	111.85	82.68	618.63	3,670.69	-	-	1,321.90	1,262.22
Unallocated cost incurred to acquire assets including adjustments on account of capital work-in-progress	-	-	-	-	-	-	-	-	40.56	45.57
Total capital expenditure (including investment properties)	1,210.05	1,179.54	111.85	82.68	618.63	3,670.69	-	-	1,362.46	1,307.79
Segment depreciation / amortisation	-	-	-	-	-	-	-	-	4.33	20.11
Unallocated corporate depreciation / amortisation	-	-	-	-	-	-	-	-	78.22	9.48
Total depreciation / amortisation	2.13	16.12	2.20	3.99	4.33	20.11	-	-	82.55	29.59
Non-cash segment expenses other than depreciation	-	-	-	-	-	-	-	-	-	-
Unallocated non-cash expenses other than depreciation and impairment	-	-	-	-	-	-	-	-	-	-
Total non-cash expenses other than depreciation and impairment	-	-	-	-	-	-	-	-	-	-

Note:

Other income allocable to respective segments has been considered as part of Segment Results.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

(b) Information about geographical segment for the year

	Within india		Outside india		Total	
	31 st Mar., 2023	31 st Mar., 2022	31 st Mar., 2023	31 st Mar., 2022	31 st Mar., 2023	31 st Mar., 2022
Revenue	22,066.42	20,977.39	2,714.44	2,527.12	24,780.86	23,504.51
Total Non-current Assets (excluding Financial Assets, Tax Assets and Post Employment Benefits)	12,022.73	12,088.42	-	-	12,022.73	12,088.42
Cost incurred to acquire segment assets including adjustments on account of capital work-in-progress	618.63	3,670.69	-	-	618.63	3,670.69

(c) Information about major customers

No single customers contributed 10% or more to the Company's revenue for the year ended 31st March, 2023 and 31st March, 2022.

42. Additional disclosure as required by Regulation 34(3) and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

S. No.	Name		₹ in Lakhs		
			Balance as at 31 st Mar., 2023	No. of shares of the Maximum amount outstanding during the period	Company held by the loanees as at 31 st Mar., 2023
	Loans and advances in the nature of loans to Subsidiaries, Associates and companies in which Directors are interested:				
1.	Svadeshi Mills Company Limited (carrying no interest)	★	4,391.78	4,391.78	-
2.	Edumetry Inc. (carrying no interest)	★	72.53	72.53	-
3.	Forbes Container Lines Pte. Limited (carrying no interest)	★	302.47	302.47	-
4.	Forbes Technosys Limited (including interest accrued) (carrying interest)	★	6,577.51	6,577.51	-
			3,392.51	8,192.51	-

Note: ★ Provided as doubtful
The above excludes loans to employees.
Figures in italics are in respect of the previous years.

43. Svadeshi Mills is not considered as a related party of the Company as per Note 3.1.1. Secured Loans include interest free loans granted to The Svadeshi Mills Company Limited, relating to which full provision exists in the financial statements, aggregating ₹ 4,391.78 Lakhs as at 31st March, 2023 (31st March, 2022 ₹ 4,391.78 Lakhs). The Company, being a secured creditor, with adjudicated dues by the Official Liquidator, expects to receive the dues when the matter is ultimately disposed off.

44. The Company had received ₹ 1,017.04 Lakhs in the year ended 31st March, 2016 from the Hon'ble Debt Recovery Tribunal, Mumbai, towards principal and interest for loan given to Coromandel Garments Limited (presently under liquidation).

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

The Company had made a provision of ₹ 364.99 Lakhs in earlier years which was reversed on receipt of ₹ 1,017.04 Lakhs from Coromandel Garments Limited and accounted the balance as interest income during the year ended 31st March, 2016.

In July 2018, in a separate proceeding the Hon'ble High Court, Mumbai had directed the Company to refund the aforesaid amount of ₹ 1,017.04 Lakhs with interest. Consequently, the Company refunded ₹ 1,055.82 Lakhs [including interest calculated from the date of the order till the date of payment aggregating ₹ 38.78 Lakhs] and recorded this as an exceptional expense during the year ended 31st March, 2019. The Company was subsequently directed by the Hon'ble High Court to pay interest from the date the amount was received by the Company, amounting to ₹ 276.19 Lakhs (of which the Company had provided for ₹ 46.00 Lakhs and ₹ 230.19 Lakhs was disclosed as a contingent liability), which was appealed by the Company.

The Official Liquidator vide order dated 23rd December, 2019 adjudicated and admitted a claim of ₹ 744.18 Lakhs (comprising ₹ 325.00 Lakhs towards loan and ₹ 419.18 Lakhs as interest).

The appeal filed by the Company with the High Court with respect to the interest of ₹ 276.19 Lakhs was dismissed on 9th June, 2021. Thereafter the Official Liquidator filed a report seeking permission from the Hon'ble High Court, Mumbai for payment of an amount of ₹ 467.99 Lakhs after adjusting interest amount of ₹ 276.19 Lakhs from the total adjudicated claim of ₹ 744.18 Lakhs. The Hon'ble High Court, vide order dated 4th August 2021, has permitted the Official liquidator to pay an amount of ₹ 467.99 Lakhs to the Company within two weeks from the date of the said Order. Basis the above, the Company has provided for ₹ 230.19 Lakhs in addition to ₹ 46.00 Lakhs provided earlier and recorded the expense as an exceptional item for year ended 31st March, 2022. The company has received the aforesaid amount of ₹ 467.99 Lakhs in the previous year.

45. Leases

Lessee accounting

- (i) Amounts recognized in Balance Sheet

The balance sheet shows the following amounts relating to leases:

Particulars	31 st Mar., 2023	31 st Mar., 2022
Right-of-use assets		
Office premises	512.90	23.19
Land	17.65	17.96
Total	530.55	41.15

Particulars	31 st Mar., 2023	31 st Mar., 2022
Lease liabilities		
Non-current	527.61	19.38
Current	11.94	6.80
Total	539.55	26.18

Additions to right-of-use asset during the current financial year were ₹ 535.17 Lakhs (Previous year ₹ Nil)

- (ii) Right-of-use assets for the year ended 31st March, 2023 and 31st March, 2022.

Particulars	Office Premises		Land	
	31 st Mar., 2023	31 st Mar., 2022	31 st Mar., 2023	31 st Mar., 2022
Cost or Deemed cost				
Balance at 1 st April, 2022/ 1 st April, 2021	33.45	227.39	19.04	19.04
Additions	535.17	-	-	-
Disposals	-	193.94	-	-
Balance at 31st March, 2023/ 31st March, 2022	568.62	33.45	19.04	19.04

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

Particulars	Office Premises		Land	
	31 st Mar., 2023	31 st Mar., 2022	31 st Mar., 2023	31 st Mar., 2022
Accumulated depreciation				
Balance at 1 st April, 2022/ 1 st April, 2021	10.26	33.61	1.08	0.17
Depreciation expense for the year	45.46	25.13	0.31	0.91
Disposals	-	48.48	-	-
Balance at 31st March, 2023/ 31st March, 2022	55.72	10.26	1.39	1.08
Carrying Amount				
Balance at 31st March, 2023/ 31st March, 2022	512.90	23.19	17.65	17.96

(iii) Amounts recognized in Statement of Profit and Loss.

The Statement of Profit and Loss shows the following amounts relating to leases:

Particulars	31 st Mar., 2023	31 st Mar., 2022
Depreciation charge of right-of-use assets		
Office Premises	45.46	25.13
Land	0.31	0.91
Total	45.77	26.04
Interest expense on lease liability (included in finance cost)	48.20	14.01
Expense relating to short term leases (Included in Other Expenses)	-	5.89
Expense relating to low value assets that are not shown above as short term leases (Included in Other Expenses)	-	10.98
Total	93.98	56.92

The total cash outflow for leases in year ended 31st March, 2023 was ₹ 69.99 Lakhs (*Previous year ₹ 28.13 Lakhs*).

(iv) Critical judgements in determining the lease term

In determining the lease term, management considers all facts and circumstances that creates an economic incentive to exercise an extension option, or not to exercise a termination option. Extension option (or period after termination option) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The majority of extension and termination options held are exercisable only by the Company and not by the respective lessor.

For the leases of offices premises, the following factors are normally the most relevant:

1. If there is significant penalties to terminate (or not extend), the Company is typically reasonably certain to extend (or not terminate).
2. If any leasehold improvements are expected to have a significant remaining value, the Company is typically reasonably certain to extend (or not terminate)
3. Otherwise, the Company considers the other factors including historical lease duration and the costs and business disruption required to replace the leased asset.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within control of lessee. During the current financial year, the financial effect of revising lease terms to reflect the effect of exercising extension and termination options was a decrease in lease liabilities and right-of-use assets by ₹ Nil Lakhs and ₹ Nil Lakhs respectively (*Previous year ₹ 172.73 Lakhs and ₹ 145.43 Lakhs respectively*).

Lessor accounting as a lessor

The Company did not need to make any adjustments to the accounting for assets held as lessor under operating leases (Refer note 37) as a results of the adoption of Ind AS 116.

For maturity profile of Lease liabilities - Refer Note 36.5.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

46. Particulars of loan given / Investments made / guarantees given, as required by clause (4) of Section 186 of the Companies Act, 2013

Name	During the year		Closing balance		Period	Rate of Interest (%)	Purpose
	Given	Returned					
A Loans given							
1 Svadeshi Mills Company Limited	-	-	4,391.78	*	N.A.	N.A.	General corporate purpose
			4,391.78	*	N.A.	N.A.	
2 Coromandal Garments Limited	-	-	-		N.A.	N.A.	General corporate purpose
			-	#			
3 Edumetry Inc. USA	-	-	72.53	*	N.A.	N.A.	General corporate purpose
			72.53	*	N.A.	N.A.	
4 Forbes Container Lines Pte Limited	-	-	302.47	*	On Demand	12%	General corporate purpose
			302.47	*	On Demand	12%	
5 Forbes Technosys Limited	-	-	6,450.73	*	On Demand	11.00%	General corporate purpose
	4,748.23	15.00	3,265.73		On Demand	11.00%	
C Guarantees given							
1 Shapoorji Pallonji Bumi Armada Offshore Limited	-	-	-		N.A.	N.A.	N.A.
		3,347.79	-	@	N.A.	N.A.	N.A.
2 Forbes Technosys Limited	-	2,714.67	69.33		Continuing for working capital and 3 years for General Corporate Purpose	N.A.	Working Capital and General corporate purpose
		5,704.72	2,784.00			N.A.	
3 Shapoorji Pallonji Forbes Shipping Limited	-	-	-		N.A.	N.A.	General corporate purpose
		78.62	485.74		1 year	N.A.	

Note:

* Provided as doubtful

@ Guarantee given Nil (Previous year Nil)

Refer Note 44 for further details.

Figures in italics are in respect of the previous years.

47. Net debt reconciliation

	₹ in Lakhs	
	As at 31 st Mar., 2023	As at 31 st Mar., 2022
Short Term Borrowings	-	(2,343.24)
Long Term Borrowings	(1,012.95)	(5,548.20)
Current Maturities of Long Term Borrowings	(252.17)	(2,286.22)
Lease Liability	(539.55)	(26.18)
Total debt	(1,804.67)	(10,203.84)
Cash and Cash equivalents	3,625.93	611.08
Net debt	1,821.26	(9,592.76)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

₹ in Lakhs

	Other assets	Liabilities from financing activities			Total
	Cash and cash equivalents	Long term borrowing including current maturity	Short term borrowing	Lease Liability	
Net debt as at 1st April, 2022	611.08	(7,834.42)	(2,343.24)	(26.18)	(9,592.76)
Cash flows	3,014.85	6,569.31	2,343.24	(513.37)	11,414.03
Interest expense	-	(483.74)	(98.31)	(48.20)	(630.25)
Interest paid *	-	483.74	98.31	-	582.05
Non cash movements for acquisitions and disposals	-	-	-	48.20	48.20
Net debt as at 31st March, 2023	3,625.93	(1,265.12)	-	(539.55)	1,821.26

* The interest paid during the year includes ₹ Nil (*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 ₹ Nil (*Previous year ₹ 52.75 Lakhs*).

₹ in Lakhs

	Other assets	Liabilities from financing activities			Total
	Cash and cash equivalents	Long term borrowing including current maturity	Short term borrowing	Lease Liability	
<i>Net debt as at 1st April, 2021</i>	<i>2,170.53</i>	<i>(11,359.58)</i>	<i>(3,765.43)</i>	<i>(213.33)</i>	<i>(13,167.81)</i>
<i>Cash flows</i>	<i>(1,559.45)</i>	<i>3,521.51</i>	<i>1,422.19</i>	<i>28.43</i>	<i>3,412.68</i>
<i>Interest expense</i>	<i>-</i>	<i>(893.05)</i>	<i>(563.14)</i>	<i>(14.01)</i>	<i>(1,470.20)</i>
<i>Interest paid *</i>	<i>-</i>	<i>896.70</i>	<i>563.14</i>	<i>-</i>	<i>1,459.84</i>
<i>Non cash movements for acquisitions and disposals</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>172.73</i>	<i>172.73</i>
<i>Net debt as at 31st March, 2022</i>	<i>611.08</i>	<i>(7,834.42)</i>	<i>(2,343.24)</i>	<i>(26.18)</i>	<i>(9,592.76)</i>

48. Offsetting financial assets and financial liabilities

₹ in Lakhs

	Gross amounts	Gross amounts set off in the Balance Sheet	Net amounts presented in Balance Sheet
	(Financial Assets -Trade Receivables)	(Financial Liabilities - Rebates/ Discounts)	(Net Financial Assets - Trade Receivables)
31st March, 2023	7,309.69	324.59	6,985.09
Total	7,309.69	324.59	6,985.09
<i>31st March, 2022</i>	<i>7,229.08</i>	<i>281.54</i>	<i>6,947.54</i>
<i>Total</i>	<i>7,229.08</i>	<i>281.54</i>	<i>6,947.54</i>

The Company gives rebates/ discounts mainly for Engineering segment. Under the terms of contract, the amounts payable by the Company are offset against receivables from customers and only the net amount is settled (i.e. after adjustment towards rebates/ discounts). The relevant amounts have therefore been presented net in the Balance Sheet.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

49. Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

Particulars	Notes	₹ in Lakhs	
		As at 31 st Mar., 2023	As at 31 st Mar., 2022
Current			
Floating charge			
Financial Assets			
- Trade receivables	9	2,923.88	3,144.30
- Cash and cash equivalents	13A	-	611.08
- Bank balances other than above	13B	-	289.21
- Loans	10B	-	0.83
- Other financial assets	11B	-	96.01
- Other current assets	14B	-	1,067.26
		2,923.88	5,208.69
Non-financial assets			
- Inventories	12	3,446.82	4,370.34
Total current assets pledged as security		6,370.70	9,579.03
Non-current			
Specific charge			
- Leasehold land	5	10.13	10.30
- Freehold buildings	5	3,553.47	3,594.14
- Plant & Machinery	5	4,918.88	5,227.50
- Furniture & fixtures	5	24.44	27.34
- Office equipments	5	3.35	5.61
- Vehicle		-	38.32
- Investment properties	6	-	89.42
- Capital work-in-progress	5.1	182.80	81.82
Total non-currents assets pledged as security		8,693.06	9,074.46
Total assets pledged as security		15,063.76	18,653.49

Certain loans taken by a subsidiary, Forbes Technosys Limited (FTL) are backed by 1st Pari-passu charge on property owned by the Company situated at Wagle Estate Thane with carrying value amount ₹ Nil (Previous year ₹ 0.27 Lakhs).

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

Considering the terms of the contract, receipt of Occupancy Certificate for Phase I of the real estate development project, issuance of possession letters and transfer of control of the real estate units to the customers, the Company has recognised revenue of ₹ 201.00 Lakhs for the year ended 31st March, 2023 and ₹ 1,490.58 lakhs for the year ended 31st March, 2022.

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

The Company has evaluated the impact of this pandemic (considering the current situation and likely future developments along with the expected impact of the new waves and strains of virus in the country) on its business operations, liquidity and recoverability/ carrying values of its assets including property, plant and equipment, trade receivables, inventory and investments as at the Balance Sheet date. Based on the management's review of the current indicators and economic conditions, there are no additional adjustments on the Company's financial results for the year ended 31st March, 2023. The Company has adequate unutilized fund-based credit facilities available, to take care of any urgent requirement of funds.

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

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

52. Forbes Technosys Limited (FTL), a subsidiary, has incurred a total comprehensive loss of ₹ 3,384.96 Lakhs for the year ended 31st March, 2023. Its accumulated losses aggregates to ₹ 18,276.32 Lakhs and its current liabilities exceeded current assets by ₹ 11,171.29 Lakhs as at 31st March, 2023.

FTL has suffered a setback in the last few years due to covid, entry of local players, and also the muted demand and stress in the key sectors that FTL has been traditionally dependent on, such as banking and telecom, has impacted business activities and overall performance of FTL, resulting in FTL realigning its market strategies, exited certain loss making business verticals and focusing on serving customer orders and providing logistics services to customers. Overall, the present situation coupled with the impact of Covid-19 had resulted in a decline in the recoverable value of investment / other assets in FTL, consequent to which an impairment provision / loss allowances as follows have been created:

- The company has made a provision for doubtful trade & contractual receivable amounting to ₹ 3.00 Lakhs during the quarter ended 31st March, 2023 and ₹ 22.00 Lakhs for the year ended 31st March, 2023.
- The Company has not granted any additional inter corporate deposit during the quarter ended 31st March 2023. However, the company has granted Inter corporate deposits ₹ 3,185.00 Lakhs for the year ended 31st March 2023. Provision created for Guarantees given to FTL by the Company amounting to ₹ 2,784.00 Lakhs has been

utilized for providing the inter-corporate deposits and balance amount of ₹ 401.00 Lakhs has been provided for the year ended 31st March 2023. Out of provision of ₹ 401.00 Lakhs an amount of ₹ 215.00 lakhs has been provided during the quarter ended 30th June 2022 and balance amount of ₹ 186.00 Lakhs has been provided during the quarter ended 30th September 2022.

- Provision for inter-corporate deposits (including interest accrued thereon) of ₹ 4,733.00 Lakhs for the year ended 31st March, 2022 and provision for guarantees given to FTL (against bank loans availed by FTL) of ₹ 2,784.00 Lakhs (net of utilization), aggregating to ₹ 7,517.00 lakhs has been created for the year ended 31st March 2022. Additionally, inter-corporate deposits given to FTL (including interest accrued thereon) aggregating ₹ 4,800.00 Lakhs (which were fully provided) has been converted into equity investments during the year ended 31st March, 2022.

Additionally, inter-corporate deposits given to FTL (including interest accrued thereon) aggregating ₹ 4,800 Lakhs (which were fully provided) has been converted into equity investments during the year ended 31st March, 2022.

The board of directors of FTL have pursuant to provisions of Section 230 to 232 applied to the National Company Law Tribunal (NCLT) for merger of Forbes Campbell Service Limited ("FCSL") and FTL for a consideration of ₹ 3 Lakhs effective 1st October, 2021 and also proposed for reduction in the share capital of FTL. The NCLT, in its order dated 16th September, 2022 ('the Order') approved the Composite Scheme of Arrangement for amalgamation of Forbes Campbell Service Limited ('FCSL') into FTL and reduction of share capital of FTL. The appointed date of the Scheme was 1st October, 2021 and the scheme has been effective from 29th September, 2022 i.e., the last date on which the certified copy of the order was filed with the Registrar of Companies. Pursuant to scheme, the Company has written off the investment of ₹ 13,183.00 Lakhs and provision created for the investment amounting to ₹ 13,183.00 Lakhs is reversed in the during the quarter ended 30th September 2022.

53. The Board of Directors of the Company at their Board Meeting held on 8th September, 2020 had, inter alia, approved the Composite Scheme of Arrangement ("Scheme") under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder.

The Scheme provides for amalgamation and vesting of Aquaignis Technologies Private Limited ("ATPL") and Euro Forbes Financial Services Limited ("EFFSL") [the wholly owned subsidiaries of Eureka Forbes Limited ("EFL")] with

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

and into EFL and amalgamation and vesting of EFL with and into the Company.

Further, upon the above part of the Scheme becoming effective, Demerger and vesting of Demerged Undertaking (as defined in the Scheme) of the Company into Forbes Enviro Solutions Limited (“FESL”), on a going concern basis take place in the year ended 31st March, 2022. Upon the entire scheme becoming effective, the name of FESL shall be changed to Eureka Forbes Limited.

On 19th September, 2021 a Share Purchase Agreement (SPA) was entered into between Lunolux Limited (Acquirer), an Advent International entity, Shapoorji Pallonji and Company Private Limited (Seller), the Company, EFL, FESL and Forbes Campbell Finance Limited (“FCFL”) for sale of shares of FESL, post issuance and listing of the same pursuant to the Scheme becoming effective.

Pursuant to the aforesaid SPA, the Board of Directors of the Company vide resolution dated 10th October, 2021, approved the following amendments to the Scheme:

- certain identified investments of EFL shall not be demerged as part of the Demerged Undertaking (as defined in the Scheme) from the Company to FESL,
- “appointed date” as per the Scheme would be effective date or the first day of the calendar month immediately succeeding the month in which the effective date occurs, as may be decided by the Board.

Consequently, notices to equity shareholders, secured creditors and unsecured creditors were sent for the aforesaid modifications in the Scheme and necessary approvals from the stock exchange, regulators and other stakeholders were sought. On 6th October, 2021, the Company received an order from Hon’ble National Company Law Tribunal, Mumbai (NCLT) for convening meetings of equity shareholders, secured creditors and unsecured creditors and consequently the meetings were held on 22nd November, 2021, where the scheme was approved. EFL has deconsolidated FESL w.e.f. 1st December, 2021. Further, the Scheme was sanctioned by the NCLT vide order dated 25th January, 2022. Upon receipt of the certified copy of the said order, the Scheme was made effective by filing Form INC 28 with the Registrar of Companies, Mumbai, Maharashtra (ROC) on 1st February, 2022.

The Board of Directors of the respective companies vide resolution dated 31st January, 2022 approved 1st February, 2022 as the Appointed Date, for the purposes of the Scheme. Consequently, with effect from 1st February, 2022, ATPL and EFFSL have merged with EFL, followed by merger of EFL into the Company and demerger of the Demerged Undertaking on a going concern basis into FESL on the same date.

In accordance with the provisions of the Scheme, each shareholder of the Company as on the Record date i.e. 11th February, 2022 were allotted 15 shares each of FESL (Now EFL) which got listed on BSE Limited. The allotment of the aforesaid new shares was completed on 14th February, 2022 and each shareholder of Forbes & Company Limited became entitled to 15 shares of FESL (Now EFL) in the ratio to their original holding as per details specified in the scheme.

Merger

Merger as per the requirements of Appendix C to Ind AS 103 - Business Combinations, should be accounted for as if it had occurred from the beginning of the preceding period in the standalone financial results of the Company. However, in accordance with MCA circular dated 21st August, 2019, the Company has considered the appointed date i.e. 1st February, 2022 as the date of merger.

On account of merger, a net liability of ₹ 13,270.30 lakhs of merged entities as on 1st February, 2022 (after eliminations of intercompany transactions) which includes Lux Group loans, receivables and liabilities ₹ 32,905.97 lakhs, was taken over and the investment of the Company in EFL amounting to ₹ 6,572.86 lakhs has been eliminated.

Demerger

Post the merger scheme becoming effective, Demerger and vesting of Demerged Undertaking (as defined in the Scheme) of the Company into Forbes Enviro Solutions Limited (“FESL”), on a going concern basis took place on the appointed date of 1st February, 2022 as approved by the NCLT.

The demerger was considered as a distribution of non-cash assets to the owners of the Company and the difference in the fair value and the carrying amount of net assets of the Demerged Undertaking was recognised as Notional gain on demerger in the financial results for the quarter and year ended 31st March, 2022 as an exceptional item amounting to ₹ 4,52,876.26 Lakhs. Neither the Company nor the shareholders have received any cash or were they entitled to receive any cash in respect of this Composite Scheme.

₹ in Lakhs

Distribution of demerged undertaking to Shareholders of the Company	4,06,600.00
Carrying value of net assets/ (liabilities) of demerged entities	(46,275.74)
Notional gain on distribution of demerged undertaking to owners	4,52,875.74

The aforementioned merger and demerger have a net impact of ₹ 26,433.11 Lakhs on reserves as at 31st March, 2022. The total assets pertaining to the Lux Group retained by the Company in lines with

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

the Composite Scheme are ₹ 32,935.67 Lakhs (Refer Note 32 B and Note 58).

54. A) The Board of Directors of the Company, in their meeting held on 22nd December, 2020, approved entering into a Memorandum of Understanding (“MOU”) for sale of approximately 3.804 acres of land at Chandivali. Accordingly, the net carrying value aggregating ₹ 2,315.70 Lakhs [including ₹ 2,277.08 Lakhs paid towards seeking permission under the Urban Land (Ceiling & Regulation) Act, 1976 for the transfer/ sale/ development/ redevelopment of the land during quarter ended 31st March, 2022], has been reflected as asset held for sale as on 31st March, 2022.

Pursuant to the Board of Directors meeting dated 24th March, 2022, the Company has entered into a new Agreement for Sale (AFS) for the aforesaid land, with Equinix India Private Limited (Equinix) for an aggregate consideration of ₹ 23,500.00 Lakhs, which was executed on 24th March, 2022 and the completion of the said transaction was subject to fulfilment of conditions precedent.

The transaction for sale of Chandivali land with Equinix got concluded on 28th June, 2022 post completion of the conditions precedent and the Company received entire consideration of ₹ 23,500.00 Lakhs during the quarter ended 30th June, 2022. The difference between the net disposal proceeds and the carrying amount of the land amounting to ₹ 20,684.00 Lakhs has been recognised as gain on disposal during the quarter ended 30th June, 2022 and reflected in Other Income in these financial results. The capital gain tax impact of the aforesaid transaction has been appropriately considered during the quarter ended 30th June, 2022 and year ended 31st March, 2023.

B) The Board of Directors of the Company at their meeting held on 23rd February, 2022 has approved entering into a binding term sheet for sale of its entire shareholding in Forbes Facility Services Private Limited (FFSPL), a wholly owned subsidiary of the Company to SILA Solutions Private Limited. This binding term sheet has been executed on 23rd February, 2022 and agreement for sale executed on 20th May, 2022. The transaction has been completed on 1st July 2022 a sales consideration of ₹ 4,200.00 Lakhs. The Company has received the consideration of ₹ 3,659.00 Lakhs after deduction of ₹ 240.00 Lakhs for the legal disputes with multiple customers and ₹ 301.00 lakhs for the fees paid to consultant. The difference between the net disposal proceeds and the carrying amount of investment and expenditure incurred on the transactions and provision made on account of the obligations undertaken by the company under the agreement for sale the net amount of

₹ 3,202.00 Lakhs has been recognized as gain on disposal during the quarter ended 30th September 2022 & year ended 31st March 2023 and reflected in Exceptional items in these financial results. The capital gains tax impact of the aforesaid transaction has been appropriately considered during the September 2022 quarter & year ended 31st March 2023.

Additionally, as per the terms of the agreement to sale, the Company has taken-over current receivables and payable balances of FFSPL to/ from related parties aggregating ₹ 122.00 Lakhs and ₹ 237.00 Lakhs respectively and receivable from non-related party amounting to ₹ 54.00 Lakhs and the net amount of ₹ 60.00 Lakhs is received by the Company from FFSPL. and the same has been paid against payables.

C) The Board of Directors of the Company, at their meeting held on 30th May, 2022, have approved the sale of the entire shareholding in SPFSL. The Company has sold 3,75,000 equity shares of ₹ 10 each and 2,21,50,000 Zero Percent Redeemable Preference Shares of ₹ 10 each of SPFSL to M/s G.S Enterprises, a related party for an aggregate purchase consideration of ₹ 2,900.00 Lakhs during the year ended 31st March, 2023. The net carrying value of the investments in SPFSL (reflected as asset held for sale on 31st March, 2022) as at the date of sale was ₹ 2,802.00 Lakhs and hence the Company has recognised an exceptional gain of ₹ 98.00 Lakhs during the year ended 31st March, 2023.

55. The Board of Directors of the Company in their meeting dated 26th September, 2022 have approved the Scheme of Arrangement (“Scheme”) between the Company (“FCL” or the “Demerged Company”) and Forbes Precision Tools and Machine Parts Limited (“FPTL” or the “Resulting Company”) and their respective shareholders under Section 230 to 232 of the Companies Act, 2013 and other applicable provisions and the Rules framed thereunder. This Scheme is a Scheme of Arrangement involving demerger of “Precision Tools business” of the Company into Forbes Precision Tools and Machine Parts Limited.

The Scheme is subject to necessary approvals by the Stock Exchanges, Securities and Exchange Board of India, Shareholders and Creditors of the Company, as may be applicable, Jurisdictional Bench of National Company Law Tribunal (“NCLT”) and such other statutory and regulatory approvals as may be required.

The relevant documents for obtaining approval under Regulation 37 of the SEBI Listing Regulations are submitted to the Designated Stock Exchange.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

- FPTL has been incorporated on 30th August 2022 as a wholly owned subsidiary of the Company.
56. The Company and MACSA ID, S.A., have entered into a 50:50 Joint Venture Agreement on December 5, 2022 (JVA) for providing innovative laser marking and traceability solutions for the entire range of materials metal and non-metals. Pursuant to the terms of the JVA, a joint venture company viz., Forbes Macsa Private Limited has been incorporated on December 9, 2022.
57. Forbes Campbell Finance Limited (FCFL), a subsidiary, has early redeemed 0.1% Optionally Convertible Redeemable Debentures at face value of ₹ 10 each for year ended 31st March, 2022. The difference between the carrying amount of the debentures aggregating ₹ 524.51 Lakhs and the amount received from FCFL aggregating ₹ 1,728.00 Lakhs has been recognized as income received on early redemption from FCFL (i.e. ₹ 1,203.49 Lakhs) for the year ended 31st March, 2022 and recorded as an exceptional item.
58. Lux group is part of the Health and Hygiene business segment of the Group and was earlier part of the Eureka Forbes group of subsidiaries. Pursuant to the demerger of the major Health and Hygiene business in lines with the composite scheme (refer Note 53) from the Group, synergies which were expected to bring about business expansion and recovery for Lux Group might not be attainable. Accordingly, based on an assessment of the revised future projections carried out by the Company's management after considering current economic conditions and trends and estimated future operating results, an impairment loss of ₹ 32,935.67 Lakhs has been recorded as an exceptional item for the quarter and year ended 31st March, 2022 towards:
- Loans outstanding of ₹ 10,173.52 Lakhs for the year ended 31st March, 2022.
 - Financial assets aggregating ₹ 20,033.38 Lakhs for the year ended 31st March, 2022
 - Non-current assets ₹ 272.80 Lakhs for the year ended 31st March, 2022,
 - Trade Receivables ₹ 2,455.97 Lakhs for the year ended 31st March, 2022.
59. **Additional Regulatory Information as per Schedule III of the Division II of the Companies Act, 2013**
- i. Details of benami property held
- There are not any proceedings that have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder as at 31st March, 2023.
- ii. Wilful defaulter
- The Company has not been declared wilful defaulter by any bank or financial Institution or other lender who has powers to declare a company as a wilful defaulter at any time during the financial year or after the end of reporting period but before the date when financial statements are approved or in an earlier period and the default has continued for the whole or part of the current year.
- iii. Relationship with struck off companies
- The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.
- iv. The Company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act 2013 read with Companies (Restriction on number of Layers) Rules, 2017.
- v. (a) The company has not advanced or loaned or invested any funds (either borrowed funds or share premium or any other sources or kind of funds) during the year to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding (whether recorded in writing or otherwise) that the intermediary shall:
- i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or,
 - ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- (b) The company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) during the year with the understanding (whether recorded in writing or otherwise) that the company shall:
- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or
 - (ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- vi. Undisclosed income
- The company does not have any transaction that are not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961), during the year.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

- vii. Details of crypto currency or virtual currency
The group has not traded or invested in crypto currency or virtual currency during the current or previous year.
- viii. Valuation of PP&E, intangible asset and investment property
The group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.
- 60. Other regulatory information**
- i. Registration of charges or satisfaction with Registrar of Companies
There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.
- ii. Utilisation of borrowings availed from banks and financial institutions
The borrowings obtained by the company from banks and financial institutions have been applied for the purposes for which such loans were taken.
- iii. The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. The Group has five CICs which are part of the Group
- SP Finance Private Limited,
 - SC Finance and Investments Private Limited,
 - Hermes Commerce Private Limited,
 - Renaissance Commerce Private Limited and
 - Shapoorji Pallonji Energy Private Limited (formerly known as Shapoorji Pallonji Oil and Gas Private Limited).
61. Previous year figures have been regrouped/ reclassified, wherever necessary to conform to current year classification.
62. The financial statements were approved by the Board of Directors of the Company at their respective meetings held on 26th May, 2023.

Signature to Notes 1 to 62

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

Firm Registration No. 0109983W
Chartered Accountants

Parthiv S. Desai
Partner
Membership Number: (F) 042624

NIRMAL JAGAWAT
Chief Financial Officer

RUPA KHANNA
Company Secretary
Membership No : A33322

Place: Mumbai
Date: 26th May, 2023

For and on behalf of the Board of Directors

M. C. TAHILYANI
Managing Director
DIN : 1423084

JAI L. MAVANI
Director
DIN : 05260191

Place: Mumbai
Date: 26th May, 2023

**CONSOLIDATED
FINANCIAL STATEMENTS FORMING
PART OF ANNUAL REPORT OF
FORBES & COMPANY LIMITED
FOR THE YEAR ENDED MARCH 31, 2023**

INDEPENDENT AUDITOR'S REPORT

To the Members of Forbes & Company Limited

Report on the Audit of the Consolidated Financial Statements

Disclaimer of Opinion

We were engaged to audit the accompanying Consolidated Financial Statements of FORBES & COMPANY LIMITED (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which includes the Group's share of profit/(loss) in its associates and its joint-ventures, which comprise the Consolidated Balance Sheet as at March 31, 2023, the Consolidated Statement of Profit and Loss (including other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity, for the year then ended, and notes to Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements" or "Statements").

We do not express an opinion on the accompanying consolidated financial statements of the Company. In view of the substantive nature & significance of the matter described in the "Basis for Disclaimer of Opinion" section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

Basis for Disclaimer of Opinion

1. We draw your attention to Note 71 to the consolidated financial statement pertaining to various elements of the Statement that may require necessary adjustments/disclosures in the Statement w.r.t. the unaudited consolidated financial statements/information of the material step-down foreign subsidiary viz. 'Lux International AG' (LIAG) - (Foreign Subsidiary of Forbes Lux International AG which in turn is the direct foreign subsidiary of the company). These adjustments when made, may have a material and pervasive impact on the Statements for the year ended March 31, 2023. The LIAG whose revenue of Rs. 18,986 lakhs, total loss after tax of Rs. (4,754) lakhs and total comprehensive income of Rs. (4,754) lakhs for the year ended December 2022, cash outflow of Rs.416 lakhs, total assets of Rs. 9,891 lakhs & negative net worth of Rs. (1,190) Lakhs as at December 31, 2022, included in the statements are based on the management certification.

The above material subsidiary i.e. LIAG is not audited by their auditor and also we have not received any response to our communication with the LIAG auditor to obtain/understand the proper information/event as required under SA 600.

We were unable to evaluate the impact on the consolidated financial statements of the Group. Accordingly, we are unable to determine the consequential implications arising therefrom in the consolidated financial statements.

2. We draw your attention to Note 73 to the consolidated financial statement of the company regarding the status of the Forbes lux international AG (FLIAG) foreign subsidiary of the company. The auditor of the FLIAG (Component auditor) has issued an adverse audit opinion on the standalone financial statement of the FLIAG. The matters have been referred by FLIAG auditors in their audit report 'Basis for adverse opinion', which has been reproduced as follows.

"Basis for adverse opinion:

Forbes Lux International AG has a direct investment in Lux International AG, a Swiss-domiciled entity with operating subsidiaries in Europe and South America. The Board of Directors has performed an impairment assessment as at December 31, 2022, which revealed, that the carrying amount of Forbes Lux International AG's investment in Lux International AG as at December 31, 2022, was impaired by CHF 40'683'091. The impairment was recorded and resulted in the Company's liabilities exceeding its assets by CHF 51'253'013. The current subordinated amounts are not sufficient to cover the over-indebtedness and future expected losses. We did not obtain sufficient evidence that the Board of Directors is able to arrange for the required capital restructuring measures of the Company to support the ability of the Company to continue as a going concern and to ensure the Company's solvency is restored. The availability of sufficient capital to meet its financial obligations is a prerequisite for the Company's ability to continue as a going concern. Consequently, the financial statements should not have been prepared under the going concern assumption."

The statements include the FLIAG standalone total revenue of Rs. 1,655 lakhs, total loss after tax of Rs. (32,866) lakhs and total comprehensive income of Rs. (32,866) Lakhs for the year ended December 31, 2022, cash inflow of Rs. 2 lakhs, total assets of Rs. 5,215 lakhs & negative net worth of Rs. (45,869) Lakhs as at December 31, 2022, and the standalone financial statements of FLIAG have been converted from accounting principles generally accepted in their respective countries into accounting principles generally accepted in India which has been certified by the management of the group.

In addition to the above, we have not received any response to our communication with the FLIAG auditor to obtain/understand the proper information/event as required under SA 600.

As a result of the matters described in points no. 1 & 2 above under the 'Basis for disclaimer of opinion paragraph', we were not able to obtain sufficient appropriate audit evidence to provide a basis for our Opinion on the consolidated financial statement.

Material Uncertainty Related to Going Concern

- The following paragraph in respect of “material uncertainty related to going concern” was included in the audit report dated May 16, 2023, containing an unmodified audit opinion on the financial statements of Forbes Technosys Limited, a subsidiary of the Holding Company issued by an independent firm of Chartered Accountants and the same is reproduced as under:

“We draw attention to Note 34 of the financial statements, which indicates that the Company has incurred a net loss during the current year and the Company’s current liabilities exceeded its current assets as at March 31, 2023. The Company has accumulated losses and its net worth has been fully eroded as at March 31, 2023. The aforesaid conditions and financial stress indicate the existence of a material uncertainty that may cast 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 Note 34. Our opinion is not modified in respect of this matter”.

The Note 34 as described above has been reproduced as Note 68(a) to the consolidated financial statement for the year ended March 31, 2023.

- The following paragraph in respect of “material uncertainty related to going concern” was included in the audit report dated May 25, 2023, containing an unmodified audit opinion on the financial statements of EFL Mauritius Limited, a subsidiary of the Holding Company issued by an independent firm of Chartered Accountants and the same is reproduced as under:

“We draw attention to note 12 of the financial statements concerning the Company’s ability to continue as a going concern. The Company incurred a loss of EUR 19,789 during the year ended 31 March 2023 and, as at that date the Company’s total liabilities exceeded its total assets by EUR 315,832. The shareholder of the Company has undertaken to provide financial support to the Company, so as to enable it to meet its obligations as they fall due for the foreseeable future. Accordingly, the financial statements have been prepared on a going-concern basis. Our opinion is not modified in respect of this matter”

The Note 12 as described above has been reproduced as Note 68(b) to the consolidated financial statements for the year ended March 31, 2023.

Emphasis of Matter

- The following ‘Emphasis of Matter’ included in the audit report dated May 16, 2023, containing an unmodified audit conclusion on the Standalone Financial statements of Forbes Technosys Limited, erstwhile subsidiary of the Holding Company is reproduced as under:

“Note 39 of the Statement which describes the Composite Scheme of Arrangement for amalgamation of Forbes Campbell Service Limited into the Company and reduction of the share capital of the Company which has been approved by National Company Law Tribunal – Mumbai Bench with appointed date of October 01, 2021, and is effective from September 29, 2022, and consequent restatement of the figure of preceding financial year. Our opinion is not modified in respect of this matter”.

Note 39 as described above has been reproduced as Note 84 to the consolidated financial statement for the year ended March 31, 2023.

- We draw attention to Note 58 of the consolidated financial statement in respect of the Scheme of Arrangement approved by the Board of Directors of the Company in their meeting dated 26th September 2022, between Forbes & Company Limited (FCL) and Forbes Precision Tools and Machine Parts Limited (FPTL) and their respective shareholders under Section 230 to 232 of the Companies Act, 2013 and other applicable provisions and the rules framed thereunder.

This Scheme is a ‘Scheme of Arrangement’ involving the demerger of the “Precision Tools Business” of the company into FPTL. The FPTL has been incorporated on 30th August 2022 as a wholly owned subsidiary of the Company. The Scheme is subject to necessary approvals by the applicable authorities. The appointed date of the Scheme is 1st April 2023, or such other date as may be fixed or approved by NCLT, Mumbai Bench.

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

Board of Directors’ Responsibilities for the Consolidated Financial Statements

The Holding Company’s Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these Consolidated Financial Statements in terms of the requirements of the Act, that give a true and fair view of the Consolidated Financial Position, Consolidated Financial Performance, Consolidated Cash Flows and Consolidated Statement of Changes in Equity of the Group including its associates and joint-ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective management and Board of Directors of the companies included its associates and joint-ventures in the Consolidated Financial Statements are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of each 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 the design, implementation and maintenance of adequate internal financial controls, that were

operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements / Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Management and Board of Directors of the companies included in the Group including its associates and joint ventures are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concerned and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group including its associates and joint-ventures are responsible for overseeing the financial reporting process of each Company.

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

Our responsibility is to conduct an audit of the Group's consolidated financial statements in accordance with Standards on Auditing and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of the Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

We are independent of the Group in accordance with the Code of Ethics and provisions of the Act that are relevant to our audit of the consolidated financial statements in India under the Act, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics and the requirements under the Act.

Other Matters

A. We did not audit the financial statements of 5 subsidiaries whose financial statements reflect total assets of Rs. 8,666 Lakhs as at March 31, 2023, total revenue of Rs. 470 Lakhs, Net Loss of Rs. (4,302) Lakhs and total comprehensive income (comprising of loss and other comprehensive income) of Rs. (3,720) Lakhs and net cash inflows of Rs 257 Lakhs for the year than ended on that date, as considered in the Consolidated Financial Statements. The Statements also include the Group's share of Profit of Rs. 257 Lakhs and total comprehensive income (comprising of profit and other comprehensive income) of Rs. 257 Lakhs for the year ended March 31, 2023, as considered in the Consolidated Financial Statements of 2 joint venture & 2 Associates, 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 is based solely on the reports of the other auditors.

B. We did not audit the financial statements/financial information of 1 subsidiary whose financial statements/ financial information reflect total assets of Rs. 0 as at March 31, 2023, total revenue of Rs.0, Net loss of Rs. (372) Lakhs, total comprehensive income (comprising of loss and other comprehensive income) of Rs. (372) Lakhs and net cash inflows of Rs. 0 for the year than ended March 31, 2023, as considered in the Consolidated Financial Statements. The Consolidated Financial Statements also include the Group's share of profit after tax as well as total comprehensive income (comprising of profit and other comprehensive income) of Rs. 45 Lakhs for the year ended March 31, 2023, as considered in the Consolidated Financial Statements, in respect of 1 associate company whose financial statements have not been audited by us. These financial statements/ financial information are unaudited and 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 and associate company and our report is based solely on such unaudited financial statements certified by management. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

C. The consolidated financial statements of the Company for the year ended 31 March 2022 were audited by the predecessor auditor and had issued a modified opinion vide report dated May 30, 2022.

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 other matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government in terms of Section 143 (11) of the Act, we give in "**Annexure A**", a statement on the matters specified in paragraphs 3 and 4 of the Order with respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act.

2. As required by section 143 (3) of the Act, based on our audit and on the consideration of the report of other auditors on financial statements (Standalone / Consolidated) of such companies as were audited by them and as mentioned in the 'Other Matters' paragraph above, we report, to the extent applicable, that:

a) *As described in the Basis for Disclaimer of Opinion section above, we sought but were unable to obtain all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.*

- b) *Due to the possible effects of the matters described in the Basis of Disclaimer opinion section above, we are unable to state whether 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 Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements *except for the matters described in the Basis of disclaimer of opinion paragraph.*
- d) *Due to the effects/possible effects of the matters described in the Basis for Disclaimer of the Opinion section, we are unable to state whether the consolidated financial statements comply with the Indian Accounting Standards specified under section 133 of the Act.*
- e) *The matters described in the Basis for Disclaimer of Opinion section may have an adverse effect on the functioning of the Group. The auditor of Forbes Technosys Limited, a subsidiary of the company, reported on the functioning of the said subsidiary in their audit report under section 143 (3) (f), which we are reproducing as further “The matter described in the ‘Material Uncertainty Related to Going Concerned’ 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, 2023, taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of subsidiary companies including associates and joint-ventures which are companies incorporated in India, none of the directors of the subsidiary companies, associates and joint-ventures which are companies incorporated in India, are disqualified as on March 31, 2023, from being appointed as a director in terms of section 164(2) of the Act;
- g) The reservation relating to maintenance of accounts and other matters connected therewith are stated in Basis of disclaimer of opinion paragraph.
- h) With respect to the adequacy of internal financial controls over the financial reporting of the Group including its associates and joint ventures which are companies incorporated in India and the operating effectiveness of such controls, refer to our separate report in “**Annexure B**”. Our report expresses a modified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting.
- i) With respect to the matter to be included in Auditor’s report under section 197(16) of the Act: In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies, associate companies and joint venture incorporated in India which were not audited by us, remuneration paid during the current year by the Holding Company, subsidiary companies, associate companies and joint venture to its directors, is in accordance with the provisions of Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.
- j) With respect to the other matters to be included in the auditor’s report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. *Except for the possible effects of the matters described in the Basis for Disclaimer of the Opinion paragraph, the Consolidated Financial Statements disclose the impact of pending litigations as at March 31, 2023, on the Consolidated Financial position of the Group including its associates and joint-ventures (refer note 19A, 19B & 39 to the Consolidated Financial Statements);*
 - ii. *Except for the possible effects of the matters described in the Basis for Disclaimer of the Opinion paragraph, the Group including associates and joint ventures has made provision, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts the year ended 31 March 2023.*
 - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group including its associates and joint-ventures, which are companies incorporated in India.
 - iv. (a) The management of the Group including associates and joint-ventures companies incorporated in India whose financial statements have been audited under the Act has represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiary companies to or in any other person(s) or entity (ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or its subsidiary companies (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The management of the Group including associates and joint-ventures companies incorporated in India whose financial statements have been audited under

the Act has represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Holding Company or its subsidiary companies from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary companies shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (c) Based on our audit procedure conducted that are considered reasonable and appropriate in the circumstances performed by us and those performed by the auditors of such subsidiaries, associates and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to the our notice

that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v. Subsidiaries and associates incorporated in India have not declared or paid any dividend during the current year, except a Holding company that has declared and paid the interim dividend during the year ended 31st March 2023, which is in accordance with section 123 of the Act, as applicable.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company, its subsidiaries, associates and joint ventures which are companies incorporated in India, with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

SHARP & TANNAN ASSOCIATES

Chartered Accountants
Firm’s Registration No.: 0109983W
by the hand of

CA Parthiv S Desai

Partner
Membership No.: (F) 042624
UDIN-23042624BGYOXE2942

Mumbai, May 26, 2023

Annexure A to the independent auditor’s report on the Consolidated Financial Statements of Forbes & Company Limited for the year ended 31st March, 2023

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

With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor’s Report) Order, 2020 (the “Order”/ “CARO”) issued by the Central Government in terms of Section 143(11) of the Act, to be included in Auditor’s report, based on the information and explanations provided, we would like to report the following regarding companies that are incorporated in India and included in the Consolidated Financial Statements. Our reporting under this clause is based on the CARO reports we issued for the Company & its subsidiary, and based on the other subsidiaries, one associate & a joint venture audited by other auditors, included in the consolidated financial statements of the Company, where reporting under the Companies (Auditor’s Report) Order, 2020 (CARO) is required. We would like to highlight the qualifications or adverse remarks in the CARO reports as mentioned below.

Sr. No.	Name of the Entity	CIN	Holding Company / subsidiary	Clause number of the CARO report
1	Forbes & Company Limited	L17110MH1919PLC000628	Holding Company	Clause (i)(c)
				Clause (iii)(a), (f)
				Clause (vii)(b)
2	Forbes Technosys Limited	U29290MH1991PLC062425	Subsidiary Company	Clause (xvii)
				Clause (xix)
3	Forbes Campbell Finance Limited	U51103MH1977PLC259702	Subsidiary Company	Clause (i) (c)
				Clause (vii) (a)&(b)
				Clause (xvii)
4	Forbes Precision Tools and Machine Parts Limited	U29256MH2022PLC389649	Subsidiary Company	Clause (xvii)
5	Volkart Fleming & Shipping Services Limited	U63090MH1920PLC000808	Subsidiary Company	Clause (iii) (d)
6	Forbes Bumi Armada Limited	U35100MH2006PLC159958	Joint Venture	Clause (vii)(a)
7	Nuevo Consultancy Services Private Limited	U70200MH2003PTC139672	Associate	Clause (iii) (d), (e),(f)
				Clause (vii)(b)

SHARP & TANNAN ASSOCIATES
Chartered Accountants
Firm’s Registration No.: 0109983W
by the hand of

CA Parthiv S Desai
Partner
Membership No.: (F) 042624
UDIN-23042624BGYOXE2942

Mumbai, May 26, 2023

Annexure B to the independent auditor's report on the Consolidated Financial Statements of Forbes & Company Limited for the year ended 31st March, 2023

(Referred to in paragraph (F) under the heading, "Report on Other Legal and Regulatory Requirements" of our report on even date)

Report on the Internal Financial Controls Over Financial Report under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We were engaged to audit the internal financial controls with reference to the 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"), including its associates and joint ventures, which are companies incorporated in India, as of March 31, 2023, in conjunction with our audit of the consolidated financial statements of the Holding Company for the year ended on that date.

Board of Directors' Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Group's including its associates and joint-ventures, which are companies incorporated in India, internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by the Institute of Chartered Accountants of India ("the ICAI") and deemed to be prescribed under section 143(10) of the Act, to the extent applicable, to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI.

Because of the matters described in the *Disclaimer of Opinion paragraph* below and after considering the audit evidence of the other auditors in terms of their reports referred to in the Other Matters paragraph below, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial controls with reference to the consolidated financial statements of the Holding Company.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Disclaimer of Opinion

We do not express an opinion on the internal financial controls over financial reporting with reference to the consolidated financial statements of the Company. Due to the possible effects of the matters described in the "Basis for Disclaimer of Opinion" paragraph above, we are unable to obtain sufficient and appropriate evidence to provide a basis for our opinion on whether the Company has adequate internal financial controls over financial reporting with reference to these Ind AS consolidated financial statements as at March 31, 2023.

We have considered the disclaimer reported in our report in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial statements of the Holding Company, and the disclaimer has affected our opinion on the consolidated financial statements of the Holding Company and we have issued a Disclaimer of Opinion on the consolidated financial statements of the Holding Company.

Basis for Disclaimer of Opinion

Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph in our main audit report, we are

unable to comment on the effectiveness of the internal financial controls over financial reporting with reference to these Ind AS consolidated financial statements as at March 31, 2023, and whether such internal financial controls were operating effectively.

Other matter

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls

with reference to consolidated financial statements insofar as it relates to four subsidiary companies, one associate company and two joint venture companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

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

SHARP & TANNAN ASSOCIATES

Chartered Accountants
Firm's Registration No.: 0109983W
by the hand of

CA Parthiv S Desai

Partner
Membership No.: (F) 042624
UDIN- 23042624BGYOXE2942

Mumbai, May 26, 2023

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2023

Particulars	Note No.	₹ in Lakhs	As at 31 st Mar., 2023 ₹ in Lakhs	As at 31 st Mar., 2022 ₹ in Lakhs
Assets				
1 Non-current assets				
Property, Plant and Equipment	4		9,287.77	9,887.68
Right-of-use assets	5		2,112.70	1,663.82
Capital work-in-progress			182.80	81.82
Investment Properties	6		2,176.85	2,259.68
Goodwill	7		-	-
Other Intangible assets	8		740.86	2,011.18
Intangible assets under development			-	-
Financial Assets:				
i) Investments				
a) Investments in associates	10A	1,096.55		994.91
b) Investments in joint ventures	10B	1,340.20		941.47
c) Other Investments	10C	10,654.40		9,770.83
			13,091.15	11,707.21
ii) Trade receivables	9A	844.95		1,096.61
iii) Loans	11A	-		-
iv) Other financial assets	14A	470.08		498.80
			14,406.18	13,302.62
Tax assets				
i) Deferred tax assets (net)	23A	1,854.79		3,764.72
ii) Income tax assets (net)	27	1,036.18		1,470.82
			2,890.97	5,235.54
Other non-current assets	15A		440.15	664.86
Total Non-current assets			32,238.28	35,107.20
2 Current assets				
Inventories	12		21,146.55	20,157.51
Financial Assets:				
i) Investments	10D	1,418.67		-
ii) Trade receivables	9B	5,809.72		8,697.66
iii) Cash and cash equivalents	13A	4,557.15		1,730.76
iv) Bank balances other than (iii) above	13B	1,998.90		448.26
v) Loans	11B	10.61		0.83
vi) Other financial assets	14B	303.46		185.41
			14,098.51	11,062.92
Other current assets	15B		2,618.12	2,894.69
			16,716.63	13,957.61
Assets classified as held for sale	16A		8.11	5,071.79
Assets pertaining to discontinued operations	16B		-	5,422.05
Total Current assets			37,871.29	44,608.96
Total Assets			70,109.57	79,716.16

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2023

Particulars	Note No.	₹ in Lakhs	As at 31 st Mar., 2023 ₹ in Lakhs	As at 31 st Mar., 2022 ₹ in Lakhs
Equity and Liabilities				
Equity				
Equity share capital	17	1,289.86		1,289.86
Other equity	18	<u>15,016.56</u>		<u>7,353.66</u>
Equity attributable to owners of the Company			16,306.42	8,643.52
Perpetual Loan			6,175.00	-
Non-controlling interests	51		-	<u>(20.25)</u>
Total Equity			<u>22,481.42</u>	<u>8,623.27</u>
Liabilities				
1 Non-current liabilities				
Financial liabilities:				
i) Borrowings	21	1,885.45		6,349.48
ii) Lease liability	64	1,698.30		1,190.37
iii) Other financial liabilities	22A	<u>624.71</u>		<u>250.00</u>
			4,208.46	7,789.85
Provisions	19A	1,149.19		1,058.63
Deferred tax liabilities (net)	23B	<u>1,309.57</u>		<u>767.78</u>
Total Non-current liabilities			<u>6,667.22</u>	<u>9,616.26</u>
2 Current liabilities				
Financial liabilities:				
i) Borrowings	25	3,242.37		20,782.83
ii) Trade payables	26			
a) total outstanding dues of micro enterprises and small enterprises; and		679.01		1,460.27
b) total outstanding dues of creditors other than micro enterprises and small enterprises		6,481.03		6,634.08
iii) Lease liability	64	367.86		502.71
iv) Other financial liabilities	22B	<u>3,397.17</u>		<u>2,806.82</u>
			14,167.44	32,186.71
Provisions	19B	469.37		966.34
Current tax liabilities (net)	27	217.83		173.52
Other current liabilities	24	26,106.29		23,193.05
Liabilities pertaining to discontinued operations	16C	-		<u>4,957.01</u>
Total Current Liabilities			<u>40,960.93</u>	<u>61,476.63</u>
Total Liabilities			<u>47,628.15</u>	<u>71,092.89</u>
Total Equity and Liabilities			<u>70,109.57</u>	<u>79,716.16</u>
Significant Accounting Policies			2-3	
The accompanying notes form an integral part of the financial statements			4-86	

In terms of our report of even date

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

Parthiv S. Desai
Partner
Membership Number: 042624

NIRMAL JAGAWAT
Chief Financial Officer

RUPA KHANNA
Company Secretary
Membership No : A33322

Place: Mumbai
Date: 26th May, 2023

For and on behalf of the Board of Directors
M. C. TAHILYANI
Managing Director
DIN : 1423084

JAI L. MAVANI
Director
DIN : 05260191

Place: Mumbai
Date: 26th May, 2023

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2023

Particulars		Note No.	₹ in Lakhs	Year ended 31 st Mar., 2023 ₹ in Lakhs	Year ended 31 st Mar., 2022 ₹ in Lakhs
I	Revenue from operations	28	44,197.77		51,472.57
II	Other income	29	26,813.64		3,444.26
III	Total Income (I + II)			71,011.41	54,916.83
IV	Expenses:				
	Real estate development costs	30	2,763.20		2,511.49
	Cost of materials consumed	31A	9,311.94		8,383.93
	Purchases of stock-in-trade		6,501.18		7,298.50
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	31B	(2,145.74)		(1,866.03)
	Employee benefits expense	32	14,296.50		17,290.16
	Finance costs	33	1,759.50		4,198.16
	Depreciation, amortisation and impairment expense	34	2,719.95		4,143.63
	Other expenses	35	15,390.47		12,910.44
	Total expenses (IV)			50,597.00	54,870.28
V	Profit before exceptional items, share of net profit of investment accounted for using equity method and tax (III - IV)			20,414.41	46.55
VI	Add: Share of profit of joint ventures and associates accounted for using equity method			295.51	1,204.35
VII	Profit before exceptional items and tax (V + VI)			20,709.92	1,250.90
VIII	Exceptional items - Income/(Expense)	36		1,201.90	(34,641.39)
IX	Profit/(Loss) before tax for the year (VII + VIII)			21,911.82	(33,390.49)
X	Tax expense/ (credit):				
	(a) Current tax including prior period charge/ credit of ₹ 71.33 Lakhs (Previous Year ₹ 1.95 Lakhs)	37	605.90		392.43
	(b) Deferred tax	37	2,173.30		(1,420.54)
				2,779.20	(1,028.11)
XI	Profit/(Loss) after tax for the year (IX - X)			19,132.62	(32,362.38)
XII	Discontinued operations				
	Profit before tax from discontinued operations			69.45	4,57,305.48
	Tax expense			(20.01)	(2,078.58)
	Profit for the year from discontinued operations			49.44	4,55,226.90
	Profit for the year (XI + XII)			19,182.06	4,22,864.52
XIII	Other Comprehensive Income				
A	(i) Items that will not be reclassified to Statement of Profit and Loss				
	(a) Remeasurement of the defined benefit plans			7.30	(206.57)
	(b) Share of other comprehensive income in associates and joint ventures, to the extent not to be reclassified to profit or loss			0.06	0.10
	(c) Equity instruments through other comprehensive income			1,765.51	9,766.73
	(ii) Tax on items that will not be reclassified to Statement of Profit and Loss				
	(a) Income Tax relating to the above items			(172.90)	59.22
				1,599.97	9,619.48
B	(i) Items that may be reclassified to Statement of Profit and Loss				
	(a) Exchange differences in translating the financial statements of foreign operations			(4,821.73)	(3,119.66)
				(4,821.73)	(3,119.66)
	Total Other Comprehensive Income			(3,221.76)	6,499.82
XIV	Total Comprehensive Income for the year (XII + XIII)			15,960.30	4,29,364.34

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2023

Particulars	Note No.	₹ in Lakhs	Year ended 31 st Mar., 2023 ₹ in Lakhs	Year ended 31 st Mar., 2022 ₹ in Lakhs
XV Profit for the year attributable to:				
- Owners of the Company			19,195.30	4,22,969.93
- Non-controlling interests			(13.24)	(105.41)
			<u>19,182.06</u>	<u>4,22,864.52</u>
XVI Other Comprehensive Income for the year attributable to:				
- Owners of the Company			(3,220.75)	6,499.83
- Non-controlling interests			(1.01)	(0.01)
			<u>(3,221.76)</u>	<u>6,499.82</u>
XVII Total Comprehensive Income for the year attributable to:				
- Owners of the Company			15,974.55	4,29,469.76
- Non-controlling interests			(14.25)	(105.42)
			<u>15,960.30</u>	<u>4,29,364.34</u>
XVIII Earning per equity share				
Basic and diluted earnings/ (loss) per equity share attributable to owners of the Company (after exceptional items) - continuing operations	38		150.38	(253.34)
Basic and diluted earnings/ (loss) per equity share attributable to owners of the Company (after exceptional items) - discontinued operations	38		0.39	3,575.39
Basic and diluted earnings/ (loss) per equity share attributable to owners of the Company (after exceptional items) - continuing and discontinued operations	38		150.77	3,322.05
Significant Accounting Policies	2-3			
The accompanying notes form an integral part of the financial statements	4-86			

In terms of our report of even date

For Sharp & Tannan Associates

Firm Registration No. 0109983W
Chartered Accountants

Parthiv S. Desai

Partner

Membership Number: 042624

NIRMAL JAGAWAT

Chief Financial Officer

RUPA KHANNA

Company Secretary

Membership No : A33322

Place: Mumbai

Date: 26th May, 2023

For and on behalf of the Board of Directors

M. C. TAHILYANI

Managing Director

DIN : 1423084

JAI L. MAVANI

Director

DIN : 05260191

Place: Mumbai

Date: 26th May, 2023

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2023

Particulars	Year ended 31 st Mar., 2023 ₹ in Lakhs	Year ended 31 st Mar., 2022 ₹ in Lakhs
Cash flows from operating activities		
Profit/(Loss) before tax from continuing and discontinued operations	21,981.27	4,23,914.99
Adjustments for -		
Depreciation and amortisation expense (Continued and Discontinued Operations)	2,776.03	6,669.23
Post acquisition share of (profit) of Associate and Joint Venture (using Equity Method)	(295.51)	(1,204.45)
Interest income earned on financial assets that are not designated as at fair value through profit or loss:		
i) Bank deposits	(169.46)	(100.41)
ii) Interest income from financial assets and others at amortised cost	(3.49)	(7.01)
Interest on Income Tax/ Wealth Tax refund	(36.72)	-
Finance costs	1,762.52	6,591.95
(Gain) on disposal of property, plant and equipment	(21,000.75)	(592.99)
(Gain) on disposal of Right of use assets	-	(70.55)
(Gain) on disposal/ fair valuation of current investments	(106.38)	(202.80)
Provision/ write offs (net) for trade receivables and advances	1,666.55	2,445.69
Credit balances / excess provision written back	(300.49)	(285.33)
Recovery of bad debts	-	(79.01)
Net foreign exchange (gain)/loss including effect of exchange difference on consolidation of foreign entities	(4,879.61)	(1,897.43)
	(20,587.31)	11,266.89
- Loss on sale of Investment	896.92	-
- Provision for disputed matters	-	230.19
- Provision for shortfall in expected recoverable value of assets sold/ loss on sale of assets	-	663.90
- Impairment of Goodwill/ Investment in Joint Venture	-	33,767.32
- Gain on capital reduction of Forbes Technosys Limited (FTL)	-	(385.03)
- Gain on capital reduction of Shapoorji Pallonji Forbes Shipping Limited (SPFSL)	-	(792.71)
- Gain on sale of subsidiary	(2,987.04)	(166.68)
- Provision for slow-moving damaged or obsolete inventories	96.97	1,157.84
- Gain on sale of associate	(98.72)	-
- Provision for impairment of certain intangible assets and intangible assets under development - continuing operations	500.00	161.49
-Provision for loan and interest thereon	18.19	-
- Notional gain on distribution of demerged undertaking to owners	-	(4,52,928.87)
-Provision for settlement of disputed Value Added Tax (VAT)	371.78	-
	(1,201.90)	(4,18,292.55)
	(21,789.21)	(4,07,025.66)
Operating profit before working capital changes	192.06	16,889.33
Changes in working capital:		
Movements in working capital:		
(Increase)/Decrease in trade and other receivables	1,037.48	2,130.12
(Increase)/Decrease in inventories	(1,090.69)	(5,579.76)
(Increase)/Decrease in other loans and advances	(27.97)	5.13
(Increase)/Decrease in other financial assets	(42.12)	627.30
(Increase)/Decrease in other assets	658.36	598.91
Increase/ (Decrease) in trade and other payables	(1,072.25)	(3,742.15)
Increase/ (Decrease) in other financial liabilities	81.31	4,871.65
Increase/ (Decrease) in provisions	(375.27)	(296.92)
Increase/ (Decrease) in other liabilities	6,251.88	7,142.94
	5,420.73	5,757.22
Cash generated from operations	5,612.79	22,646.55
Income taxes paid (net of refunds)	(155.26)	(2,574.65)
(a) Net cash flow generated from operating activities	5,457.53	20,071.90

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2023

Particulars	Year ended 31 st Mar., 2023 ₹ in Lakhs	Year ended 31 st Mar., 2022 ₹ in Lakhs
Cash flows from investing activities:		
Payments for property, plant and equipment including assets held for sale (net of capital creditors and including capital advances, capital work-in-progress, investment properties and intangible assets)	(1,519.66)	(5,919.54)
Advances received in relation to assets held for sale	-	4,000.00
Proceeds from disposal of property, plant and equipment (including investment properties and intangible assets)	19,531.54	868.35
Payments for acquisition of investment	(3,645.31)	-
Payments for acquisition of investment in Joint Venture		-
- Equity Investment in Joint Ventures	(0.50)	-
- Share application money in Joint Ventures	(249.50)	-
Purchase of current investments	(1,418.67)	(8,500.50)
Proceeds from sale of current investments	106.38	11,191.32
Proceeds from sale of investments		
- in Subsidiaries	3,659.10	
Proceeds from sale of investments in joint venture	2,900.00	777.24
Proceeds from sale of investments in others	3,630.28	-
Inter-corporate deposits given	-	(750.00)
Inter-corporate deposits received	-	500.00
Bank balances not considered as cash and cash equivalents	(1,550.64)	897.54
Interest received	151.50	147.08
(b) Net cash flow generated from/(used in) investing activities	21,594.52	3,211.49
Cash flows from financing activities:		
Proceeds from borrowings	-	2,019.80
Repayment of borrowings	(12,761.22)	(16,943.17)
Proceeds from Perpetual Loan	6,175.00	-
Net increase/ (decrease) in Cash credit facilities, Buyers Credit, Overdraft facility and Loans repayable on demand	(7,363.05)	(4,249.46)
Finance costs paid	(1,483.82)	(6,143.30)
Payment of Lease Liabilities	(612.21)	(1,586.95)
Expenses on Issue of Shares by subsidiary	-	(47.50)
Tax paid on buy back	-	(86.19)
Amount Paid on buyback of shares by subsidiary to non-controlling interest	-	(388.50)
Amount Paid on capital reduction by subsidiary to non-controlling interest	-	(86.63)
Dividend paid on equity shares	(8,235.43)	(0.18)
(c) Net cash flow generated from/ (used) in financing activities	(24,280.73)	(27,512.08)
(d) Net increase/ (decrease) in cash and cash equivalents (a + b + c)	2,771.32	(4,228.69)
(e) Cash and cash equivalents as at the commencement of the year	1,821.77	8,358.84
(f) Cash and cash equivalents on disposal of subsidiaries and demerger of business (net)	(35.94)	(2,308.38)
(g) Cash and cash equivalents held under assets pertaining to discontinued business	-	-
(g) Effects of exchange rate changes on cash and cash equivalents	-	-
(h) Cash and cash equivalents as at the end of the year (d + e + f + g) (refer Note 13A)	4,557.15	1,821.77

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2023

Particulars	Year ended 31 st Mar., 2023 ₹ in Lakhs	Year ended 31 st Mar., 2022 ₹ in Lakhs
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., 2023 ₹ in Lakhs	31st Mar., 2022 ₹ in Lakhs
Balances with Banks		
- In current accounts	1,827.87	1,669.05
- In EEFC accounts	24.80	61.65
Deposits accounts (with original maturity upto 3 months)	2,704.43	-
Cheques, drafts on hand	-	-
Cash on hand	0.05	0.06
Cash and cash equivalents	4,557.15	1,730.76
Cash and cash equivalents held under assets pertaining to discontinued business (Refer Note 16B)	-	91.01
Balances as per statement of cash flows	4,557.15	1,821.77

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 (Refer Note 13B) at the end of the year includes: (i) earmarked balances towards unpaid dividends ₹ 64.75 Lakhs (Previous Year ₹ 24.48 Lakhs) and (ii) margin money deposits ₹ 448 Lakhs (Previous Year ₹ 235.04 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 interest expense on loans for real estate development activities amounting to ₹ 52.75 lakhs (Previous Year ₹ 52.75 Lakhs).

The accompanying notes form an integral part of the financial statements

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In terms of our report of even date

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

Parthiv S. Desai
Partner
Membership Number: 042624

NIRMAL JAGAWAT
Chief Financial Officer

RUPA KHANNA
Company Secretary
Membership No : A33322

Place: Mumbai
Date: 26th May, 2023

For and on behalf of the Board of Directors
M. C. TAHILYANI
Managing Director
DIN : 1423084

JAI L. MAVANI
Director
DIN : 05260191

Place: Mumbai
Date: 26th May, 2023

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2023

a. Equity share capital

₹ in Lakhs	
Particulars	Amount
Balance as at 31st Mar., 2021	1,289.86
Changes in equity share capital during the year	-
Balance as at 31st Mar., 2022	1,289.86
Changes in equity share capital during the year	-
Balance as at 31st Mar., 2023	1,289.86

b. Perpetual loan

Particulars	Amount
Balance as at 31st Mar., 2021	-
Changes during the year	-
Balance as at 31st Mar., 2022	-
Changes during the year	6,175.00
Balance as at 31st Mar., 2023	6,175.00

c. Other equity

Particulars	Equity component of compound financial instruments	Treasury Shares	Reserves and surplus							Items of other comprehensive income				Non-controlling interests	Total	
			Capital reserve on merger *	Capital contribution reserve	Securities premium reserve	Capital Redemption Reserve	General reserve	Capital reserve for bargain purchase business combinations	Retained Earnings	Sub-total	Equity instrument through other comprehensive income	Foreign currency translation reserve	Sub-total			Attributable to owners of the parent
Balance as at 31st March, 2021	894.42	(32.55)	386.13	493.54	161.76	25.00	42,849.28	1,221.43	(66,519.09)	(21,381.95)	(165.30)	5,293.06	5,127.76	(15,392.32)	6,443.31	(8,949.01)
Profit/ (loss) for the year	-	-	-	-	-	-	-	-	4,22,969.93	4,22,969.93	-	-	-	4,22,969.93	(105.41)	4,22,864.52
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	-	(147.25)	(147.25)	9,766.73	(3,119.65)	6,647.08	6,499.83	(0.01)	6,499.82
Total comprehensive income for the year	-	-	-	-	-	-	-	-	4,22,822.68	4,22,822.68	9,766.73	(3,119.65)	6,647.08	4,29,469.76	(105.42)	4,29,364.34
Expenses related to issue of shares by a subsidiary	-	-	-	-	-	-	-	-	(47.50)	(47.50)	-	-	-	(47.50)	-	(47.50)
Tax on account of Capital reduction by subsidiary	-	-	-	-	-	-	-	-	(76.28)	(76.28)	-	-	-	(76.28)	(9.91)	(86.19)
Shares bought back by subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(388.50)	(388.50)
Capital Reduction by subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(86.63)	(86.63)
Effect of Loss of Control	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(6,018.88)	(6,018.88)
Effect of Demerger of Health, Hygiene and Safety business	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(125.94)	(125.94)
Capital reduction by subsidiary	-	-	-	-	-	-	-	-	885.48	885.48	-	-	-	-	-	885.48
Others	(885.48)	-	-	-	-	-	-	-	(4,06,600.00)	(4,06,600.00)	-	-	-	(4,06,600.00)	271.72	(4,06,328.28)
Deemed Dividend (Nonfomal) (Refer note 66)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total transactions with owners in their capacity as owners	-	-	-	-	-	-	-	-	-	-	-	-	-	(4,06,600.00)	271.72	(4,06,328.28)

₹ in Lakhs

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2023

Particulars	Equity component of compound financial instruments	Treasury Shares	Reserves and surplus								Items of other comprehensive income				Total		
			Capital reserve	Capital reserve on merger*	Capital contribution reserve	Securities premium reserve	Capital Redemption Reserve	General reserve	Capital reserve for bargain purchase business combinations	Retained Earnings	Sub-total	Equity instrument through other comprehensive income	Foreign currency translation reserve	Sub-total		Attributable to owners of the parent	Non-controlling interests
Balance as at 31st March, 2022	8.94	(32.55)	386.13	-	493.54	161.76	25.00	42,849.28	1,221.43	(49,534.71)	(4,397.57)	9,601.43	2,173.41	11,774.84	7,353.66	(20.25)	7,333.41
Profit/(Loss) for the year	-	-	-	-	-	-	-	-	-	19,195.30	7.36	-	-	-	19,195.30	(13.24)	19,182.06
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	-	-	7.36	7.36	1,592.61	(4,820.72)	(3,228.11)	(3,220.75)	(1.01)	(3,221.76)
Total comprehensive income for the year	-	-	-	-	-	-	-	-	-	19,202.66	19,202.66	1,592.61	(4,820.72)	(3,228.11)	15,974.55	(14.25)	15,960.30
Expenses related to issue of shares by a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tax on account of Capital reduction by subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Shares bought back by subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Reduction by subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Effect of Loss of Control	-	-	-	-	-	-	-	-	(0.23)	81	(0.23)	-	-	-	(0.23)	34.50	(0.23)
Effect of Demerger of Health, Hygiene and Safety business	-	-	-	-	-	-	-	-	-	(35.53)	(35.53)	-	-	-	(35.53)	-	(35.53)
Others	-	-	-	-	-	-	-	-	-	(8,275.88)	(8,275.88)	-	-	-	(8,275.88)	-	(8,275.88)
Interim Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tax on Intra group dividends	-	-	-	-	-	-	-	-	-	(8,275.88)	(8,275.88)	-	-	-	(8,275.88)	-	(8,275.88)
Total transactions with owners in their capacity as owners	-	-	-	-	-	-	-	-	-	(8,275.88)	(8,275.88)	-	-	-	(8,275.88)	-	(8,275.88)
Balance as at 31st March, 2023	8.94	(32.55)	386.13	-	493.54	161.76	25.00	42,849.28	1,221.20	(38,643.46)	6,493.45	11,194.04	(2,647.31)	8,546.73	15,016.57	-	15,016.57

* Amount is below the rounding off norm adopted by the Group.

Significant Accounting Policies
The accompanying notes form an integral part of the financial statements

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In terms of our report of even date

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

Parthiv S. Desai
Partner
Membership Number: 042624

Place: Mumbai
Date: 26th May, 2023

For and on behalf of the Board of Directors
M. C. TAHILYANI
Managing Director
DIN : 1423084

NIRMAL JAGAWAT
Chief Financial Officer
RUPA KHANNA
Company Secretary
Membership No : A33322

Place: Mumbai
Date: 26th May, 2023

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued**1. CORPORATE INFORMATION**

Forbes & Company Limited (“the Company”) is one of the oldest companies of the world. The Company traces its origin to the year 1767 when John Forbes of Aberdeenshire, Scotland started his business in India. Over the years, the Management of the Company moved from the Forbes Family to the Campbells to the Tata Group and now finally to the well known Shapoorji Pallonji Group. Its parent and ultimate holding company is Shapoorji Pallonji and Company Private Limited. The principal activities of the Company and its subsidiaries (“the Group”) includes Health, Hygiene, Safety Products and its services, manufacturing and sale of engineering products, real estate development project and leasing of premises, IT Enabled Services and Products and Shipping and Logistics Services. The address and registered office and principal place of business are disclosed in the Annual Report.

2. SIGNIFICANT ACCOUNTING POLICIES:**2(i) Statement of Compliance with Ind AS**

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

2(ii) Basis of Preparation and Presentation of Consolidated Financial Statements

The consolidated financial statements have been prepared on a historical cost basis except for the following;

- Certain financial assets and liabilities (including derivative instruments) are measured at fair value;
- assets held for sale - measured at fair value less cost to sell or their carrying amount whichever is lower;
- defined benefit plans - plan asset measured at fair value

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

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

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

All assets and liabilities have been classified as current or non-current as per the Group’s normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products/activities of the Group and the normal time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for engineering business, shipping and logistics services, health, hygiene, safety products and its services, IT enabled services and products and 48 months for real estate business for the purpose of classification of its assets and liabilities as current and non current.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued
Subsidiaries:

The list of subsidiary companies which are included in the consolidated financial statements and the Group's holdings therein are as under:

Sr No.	Name of the Company	Refer Footnote No.	Incorporated In	Percentage of Holding and Voting power either directly or indirectly through subsidiary (%)	
				As at 31 st Mar., 2023	As at 31 st Mar., 2022
1	- Eureka Forbes Limited	1	India	-	100.00
	- Aquaignis Technologies Private Limited	1	India	-	100.00
	- Forbes Lux International AG		Switzerland	100.00	100.00
	- Lux International AG		Switzerland	100.00	100.00
	- Lux del Paraguay S.A.	2	Paraguay	80.00	80.00
	- Lux Schweiz AG		Switzerland	100.00	100.00
	- Lux (Deutschland) GmbH (ceased to be subsidiary from 8 th May 2020)		Germany	-	-
	- Lux International Services and Logistics GmbH (formerly Lux Service GmbH)		Germany	100.00	100.00
	- Lux Norge A/S (ceased to be subsidiary from 1 st January 2021)		Norway	-	-
	- Lux Osterreich GmbH		Austria	100.00	100.00
	- Lux Hungaria Kereskedelmi Kft.		Hungary	100.00	100.00
	- LIAG Trading & Investment Ltd. (liquidated w.e.f. 31.03.2021)		UAE	-	100.00
	- Lux Welity Polska Sp z o o		Poland	100.00	100.00
	- Lux Professional Paraguay S.A.(formerly Lux Aqua Paraguay S.A)		Paraguay	100.00	100.00
	- EFL Mauritius Limited		Mauritius	100.00	100.00
	- Euro Forbes Financial Services Limited	1	India	-	100.00
	- Euro Forbes Limited	1	UAE	-	100.00
	- Forbes Lux FZCO	1	UAE	-	100.00
	- Forbes Facility Services Private Limited (FFSPL) upto July, 2022		India	-	100.00
	- Forbes Enviro Solutions Limited	1	India	-	100.00
	- Forbes Aquatech Limited (subsidiary w.e.f. 28 th August 2020)	1	India	-	66.67
	- Infinite Water Solution Private Limited (subsidiary w.e.f. 31 st March 2021)	1	India	-	100.00
2	Forbes Campbell Finance Limited and its subsidiaries:		India	100.00	100.00
	- Forbes Campbell Services Limited (merged with Forbes Technosys Limited w.e.f. September 29, 2022)		India	-	98.00
3	Forbes Technosys Limited		India	100.00	100.00
4	Volkart Fleming Shipping and Services Limited		India	100.00	100.00
5	Shapoorji Pallonji Forbes Shipping Limited (Upto 28 th February, 2022)	3	India	-	25.00
6	Campbell Properties & Hospitality Services Limited		India	100.00	100.00
7	Forbes Precision Tools And Machine Parts Limited (Incorporated on 30 th August,2022)		India	100.00	0.00

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

Footnotes:

- Pursuant to composite scheme of arrangement as described in note 66, the Company is not a subsidiary as on 31st March, 2022
- The share capital was increased by Lux International unilaterally and share percentage increased to 80% as at 31st October, 2019. Full consolidation remained as operational lead is still ongoing.
- The Group has 25% ownership in Shapoorji Pallonji Forbes Shipping Limited (SPFSL) by virtue of joint venture agreement. However, SPFSL is consolidated as a subsidiary upto 28th February, 2022 due to the Group's ability to appoint majority of directors on the Board of SPFSL. However, pursuant to termination of the joint venture agreement between the shareholders of SPFSL during the year, SPFSL ceases to be subsidiary of the Group w.e.f. 1st March, 2022 and now stands as an associate.

Forbes Edumetry Limited, a subsidiary, has initiated voluntary winding up under section 500 and other applicable sections of the Companies Act, 1956.

The financial statements of the following companies which are in the nature of Joint ventures have been considered in the consolidated financial statements.

Sr No.	Name of the Company	Refer Footnote No.	Incorporated In	Percentage of Holding and Voting power either directly or indirectly through subsidiary (%)	
				As at 31 st Mar., 2023	As at 31 st Mar., 2022
1	Forbes Concept Hospitality Services Private Limited	1	India	50.00	50.00
2	AMC Cookware (Proprietary) Limited (Upto December 2021) \$	2	South Africa	-	50.00
3	Forbes Bumi Armada Limited.	3	India	51.00	51.00
4	Forbes Macsa Private Limited (Incorporated on 09 th December, 2022)	1	India	50.00	-

Footnotes:

- Joint ventures of Forbes and Company Limited.
- Joint venture of Lux International AG.
- Joint venture of Forbes Campbell Finance Limited
- Reporting date is 31st December, 2022

The financial statements of the following associates are considered in the consolidated financial statements.

Sr No.	Name of the Entity	Refer Footnote No.	Incorporated In	Percentage of Holding and Voting power either directly or indirectly through subsidiary (%)	
				As at 31 st Mar., 2023	As at 31 st Mar., 2022
1	Euro P2P Direct (Thailand) Co. Limited * (Refer Note 66)	1	Thailand	-	49.00
2	Nuevo Consultancy Services Private Limited		India	49.00	49.00
3	Dhan Gaming Solution (India) Private Limited		India	49.00	49.00
4	Shapoorji Pallonji Forbes Shipping Limited (w.e.f. 1 st March, 2022 and upto 30 th May, 2022)		India	-	25.00

* Investment in above associate has been fully provided. Losses (if any), in excess of the investment made by the group have not been provided since the group has not incurred obligations or made payments on behalf of the associate to satisfy obligations of the associate that the group has guaranteed or to which the group is otherwise committed. Therefore, no amounts have been included in the consolidated financial statements on account of this associate in the previous year.

Footnotes:

- Pursuant to composite scheme of arrangement as described in note 66, the Company is not an associate as on 31st March, 2023

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

2(iii) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the Statement of Profit and Loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items

of assets, liabilities, equity, income and expenses. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra Group assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Accounting policies of the subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The excess of cost of investment in the subsidiary over the Group's portion of equity of the subsidiary, at the date on which investment is made, is recognised in the consolidated financial statements as Goodwill on Consolidation.

The excess of Group's portion of equity of the subsidiary over the cost of the investments by the Group, at the date on which investments is made, is treated as Capital Reserve on Consolidation.

Non-controlling Interests in the net assets of the subsidiaries consist of :

- (i) The amount of equity attributable to non-controlling interest at the date on which investment is made; and
- (ii) The non-controlling interest's share of movements in the equity since the date the parent-subsidiary relationship came into existence. The losses applicable to the non-controlling interest in a consolidated subsidiary may exceed the non-controlling interest in the equity of subsidiary. The excess, and any further losses applicable to the non-controlling interest, are adjusted against the controlling interest except to the extent that the non-controlling interest has a binding obligation to, and is able to, make good the losses.

Figures pertaining to the subsidiaries have been reclassified wherever necessary to bring them in line with the Company's financial statements.

Changes in the Group's ownership interests in existing subsidiaries :

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as transactions with equity owners of the Group. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

2(iv) Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquired business and the equity interests issued by the Group and fair value of any asset/ liability resulting from contingent consideration arrangement in exchange of control of the acquired business. Acquisition-related costs are generally recognised in Statement of Profit and Loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Taxes and Ind AS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payment at the acquisition date ; and
- assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-

controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

In case of a bargain purchase, before recognising a gain in respect thereof, the Group determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognises any additional assets or liabilities that are identified in that reassessment. The Group then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Group recognises it in other comprehensive income and accumulates the same in equity as capital reserve. This gain is attributed to the acquirer. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Group recognises the gain, after reassessing and reviewing (as described above), directly in equity as capital reserve.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another Ind AS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill or capital reserve, as the case maybe. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at fair value at subsequent reporting dates with the corresponding gain or loss being recognised in profit or loss.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

The Goodwill/ Capital Reserve is determined separately for each subsidiary company and such amounts are not set off between different entities.

- 2(v) The financial statements of the Company, its subsidiaries, Joint ventures and associates used in the consolidation are drawn upto the same reporting date i.e. 31st March, 2023, other than Euro Forbes Ltd., Forbes Lux International AG, Lux International AG, Lux Schweiz AG, Lux International Services and Logistics GmbH, Lux Norge A/S, Lux Osterreich GmbH, Lux Hungária Kereskedelmi Kft., Forbes Lux FZCO, AMC Cookware (Proprietary) Limited, Lux Del Paraguay S.A., LIAG Trading & Investment Ltd., Lux Professional Paraguay S.A. (formerly Lux Aqua Paraguay SA), Lux Welity Polska Sp z o o, whose reporting dates are 31st December, 2022. Necessary material adjustments have been made, for the effects of significant transactions and other events between the reporting dates of such financial statements and these consolidated financial statements.

Foreign Subsidiaries

The consolidated financial statements includes ten subsidiaries (previous year: ten subsidiaries) incorporated outside India whose financial statements have been drawn up in accordance with the generally accepted accounting practices (GAAP) as applicable in those countries. These financial statements have been re-stated in Indian Rupees (presentation currency) and the resultant exchange gain /loss on conversion has been accounted in total comprehensive income and foreign currency translation reserve. In the opinion of the Management, based on the analysis of the significant transactions at subsidiaries, no material adjustments are required to be made to comply with Group accounting policies.

2(vi) Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence but not control or joint control. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. Distributions received from an associate or a joint venture reduce the carrying amount of the investment. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. When necessary, adjustments are made to the financial statements of associates and joint ventures to bring their accounting policies into line with the Group's accounting policies. All intra Group assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

in equity as capital reserve in the period in which the investment is acquired.

After application of the equity method of accounting, the Group determines whether there any is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in an associate or a joint venture and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Group's investment in an associate or a joint venture.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount, any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with Ind AS 109. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests. When the

Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities. When a Group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

2(vii)Property, Plant and Equipment (including Investment Properties)

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

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

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

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

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

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

Sr. No.	Class of assets	Estimated useful life
a	Building including investment properties	10 - 60 years
b	Plant and Equipment	
	- Owned	5-15 years
	- Leased	6 years
c	Furniture and Fixtures	2-10 years
d	Vehicles	3-5 years
e	Office equipments	3-5 years
f	Data processing equipments:-	
	- Owned and leased	3-6 years
g	Buildings on leasehold land (including Investment Properties)	Lower of the useful life in the range of 30 - 60 years and the lease term
h	Shipping vessels	20 years
i	Temporary structures (included in building)	4 years
j	Drydock expenses incurred on Intermediate survey (included in Shipping vessels)	2.5 years
k	Drydock expenses incurred on Special survey (included in Shipping vessels)	5 years
l	Solar Power Plant (included in Plant and Equipment)	25 years
m	Leasehold Land	Over the period of lease
n	Leasehold Improvements	Over the period of lease

Property, plant and equipment individually costing ₹ 5,000 and less are depreciated fully in the year of purchase.

2(viii) Capital work-in-progress

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

2(ix) Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs and where applicable borrowing cost. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16's requirements for cost model, other than those that meet the

criteria to be classified as held for sale shall be measured in accordance with Ind AS 105.

The estimated useful life of lease hold land is equivalent to the lease term.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss in the period in which the property is derecognised.

2(x) Intangible Assets

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. The cost of an intangible asset comprises its purchase price (net of any trade discounts and rebates), implementation cost for internal use (including software coding, installation, testing and certain data conversion) and any directly attributable expenditure on making the asset ready for its intended use. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred, unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

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

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

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

Indirect development costs for products are charged to Statement of Profit and Loss in the year in which incurred. Development expenditure on an individual project is recognized as an intangible asset when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sales, its intention to complete and its ability to use or sell the asset, how the asset will generate economic benefits, the availability of resources to complete the

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

asset and the ability to measure reliably the expenditure during development.

Intangible assets internally generated

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- its intention to complete and its ability and intention to use or sell that asset
- how the asset will generate future economic benefits
- the availability of resources to complete the asset
- the ability to measure reliably the expenditure during the development. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of the expected future benefit. Amortisation expense is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset. During the period of development, the asset is tested for impairment annually.

An intangible asset is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between sales proceeds and the carrying amount of the assets and is recognised in Statement of Profit and Loss.

The estimated useful lives of intangible assets are as under:

Sr. No.	Class of assets	Estimated useful life
a	Software acquired	3 - 5 years
b	Internally generated software (comprising Bill Payment and Cheque Deposits software, Forbes Xpress and Cash based Ticketing Solutions and other peripherals relating to banking)	3 - 7 years

Sr. No.	Class of assets	Estimated useful life
c	Brand Names / Trademarks	3 - 5 years
d	Product Development expenditure and Other Intangible assets	On straight line basis over the best estimate of their useful lives basis expected future benefits but not exceeding 10 years
e	Technical know-how	5 years

2(xi) Intangible assets under development

Expenditure on development eligible for capitalisation is carried as intangible assets under development where such assets are not yet ready for their intended use.

2(xii) Inventories

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

Real estate development work-in-progress :-

Cost of real estate business is charged to the Statement of Profit and Loss for the revenue recognised during the year and the balance cost is carried forward as "Real Estate Work in Progress" under Note 12 Inventories.

Real estate development work-in-progress cost includes construction and development cost, allocated interest and other overheads related to projects under construction and is valued at lower of cost and net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

2(xiii) Deemed cost for property, plant and equipment, investment properties and intangible assets

The Group has elected to continue with the carrying value of all of its property, plant and equipment, investment properties and intangibles assets recognised as of 1st April, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

2(xiv) Financial instruments

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

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

Financial assets

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

Classification

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

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

All other financial assets are subsequently measured at fair value.

Effective interest method

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

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at fair value through profit or loss. Interest income is recognised in the Statement of Profit and Loss and is included in "Other income".

Investments in equity instruments at FVOCI

On initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'.

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

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

Impairment of financial assets

The Group applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, loan commitments, trade receivables, financial guarantees not designated as FVTPL and fair value through other comprehensive income and other contractual rights to receive cash or other financial asset.

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

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

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

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

Derecognition of financial assets

A financial asset is derecognised only when

- The contractual rights to the cash flows from the financial asset expire, or
- The Group has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.
- The Group has no obligation to pay amounts to the eventual recipients unless it collects equivalent amounts from the original asset. Short-term advances by the Group with the right of full recovery of the amount lent plus accrued interest at market rates do not violate this condition.
- The Group is prohibited by the terms of the transfer contract from selling or pledging the original asset other than as security to the eventual recipients for the obligation to pay them cash flows.
- The Group has an obligation to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Group is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents (as defined in Ind AS 7 Statement of Cash Flows) during the short settlement period from the collection date to the date of required remittance to the eventual recipients, and interest earned on such investments is passed to the eventual recipients.

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

Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. For foreign currency denominated financial assets measured at amortised

cost and FVTPL, the exchange differences are recognised in the Statement of Profit and Loss.

Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

Compound financial instruments

The component parts of compound financial instruments (preference shares) issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound financial instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the preference shares, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option. Transaction costs that relate to the issue of the preference shares are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the preference shares using the effective interest method.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

Financial liabilities

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

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

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. A substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid including any non-cash assets transferred or liabilities assumed, and payable is recognised in the Statement of Profit and Loss.

Derivative financial instruments

The Group enters into derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the Statement of Profit and Loss immediately.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right

must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

Financial guarantee contracts

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

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

2(xv) Borrowing Cost

Borrowing costs includes interest, amortisation of ancillary cost incurred in connection with the arrangement of borrowings and exchange difference arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are attributable to the acquisition or construction of qualifying assets, which are assets that necessarily takes a substantial period of time to get ready for its intended use or sale, are added to the cost of those assets; until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

2(xvi) Foreign Currency Transactions and Translation

In preparing the financial statements of each entity, transactions in currencies other than the that entity's functional currency viz. Indian Rupee (₹) are recognised at the rates of exchange prevailing at the dates of the transactions. Exchange difference on monetary items in respective entities is recognised in the Statement of Profit and Loss in the period in which they arise. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Indian Rupees using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Group are reclassified to the Statement of Profit and Loss.

2(xvii) Impairment of Assets

The Group assesses at end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate pre-tax discount factor. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. For the purpose of assessing impairment, assets are grouped at the lowest level for which there are separate identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of asset (cash-generating unit). If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the lower of recoverable amount and the carrying amount that would have been determined had no impairment loss been recognised. Non financial asset other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2(xviii) Earnings Per Share

Basic Earnings per share are calculated by dividing the consolidated net profit / (loss) after tax for the year attributable

to equity shareholders of the Group by the weighted average number of equity shares outstanding during the year.

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

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

2(xix) Revenue Recognition

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

The Group applies the five approach for recognition of revenue:

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

A. Revenue from real estate contracts

In respect of real estate development projects undertaken by the Group, the control of real estate units is said to be satisfied over time, if any one of the following criteria is met:

- a) the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs
- b) the entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced
- c) the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date

In all other cases, where the above criterias for satisfaction of performance obligation and recognising revenue over time are not met, revenue would be recognised when control of the real estate units has been transferred and there is no unfulfilled

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

obligation which could affect the customers acceptance of the real estate units. Considering the terms of the contract, revenue is recognised at a point in time when:

- The Company has transferred to the customer all significant risk and rewards of ownership and the Company retains no effective control of the real estate unit to a degree usually associated with ownership;
- The Company has handed over possession of the real estate unit to the customer or deemed possession based on the contract with the customer;
- No significant uncertainty exists regarding the amount of consideration that will be derived from the sale of the real estate unit;
- It is not unreasonable to expect ultimate collection of revenue from customer

Revenue is measured as the fair value of consideration which the Company expects to be entitled to in exchange of transferring the property to the customer (excluding amounts collected on behalf of third parties e.g. taxes). Revenue is recognized with respect to executed sales contracts on transfer of control of the real estate units to the customers.

B. Sale of goods:

Revenue from the sale of goods is recognised when control of the products has been transferred based on agreed terms and there is no unfulfilled obligation which could affect the customers acceptance of the products.

Further the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the entity. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract.

Sales are recognised, net of estimated returns, trade discounts, taxes, incentives and rebates as applicable.

A refund liability (included in other current liabilities) is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. In relation to certain contracts where installation services are provided by the group, same is accounted as a separate performance obligation. Payment of the transaction price is due immediately when the customer purchases the goods/services except in certain cases where a credit term is agreed between group and customers.

Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur. An estimate is made for goods

that will be returned and a liability has been recognised for this amount as refund liability (included in other current liabilities). An asset has also been recorded (included in other current assets) for the corresponding inventory that is estimated to return to the group using a best estimate based on accumulated experience. Group's obligation to repair or replace faulty products under the standard warranty terms is recognised as provision.

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

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

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

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

Group's obligation to repair or replace faulty products under the standard warranty terms is recognised as provision.

C. Sale of services:

- a) Charter hire earnings are recognized as the service is performed and accrued on time basis as per terms stated in pool agreement.
- b) Income from other services is recognised as and when the services are performed as per the terms of agreement with the respective parties. For fixed price contracts, revenue is recognised based on actual service provided to the end of the reporting period as a proportion of the total services to be provided.
- c) Commission income is recognised as per terms of agreement with respective party and in the period in which services are rendered.

Unbilled revenue with respect to Maintenance Contract is recognised to the extent not billed at the year end and unbilled

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

revenue from sale of customised software is recognised to the extent of stage of completion of development.

D. Income from Recharge sales

Revenue on sale of recharge recognised when the pins are downloaded by the customer. The Group recognises revenue at gross amount of recharge sale where it is acting as principal and revenue is recognised to the extent of commission amount where the Group is acting as an agent as per the terms of agreements with various distributors.

E. Interest and Dividend Income:

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

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

F. Export Incentives:

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

2(xx) Employee Benefits**a) Short-term employee benefits**

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

b) Other long-term employee benefits

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

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

c) Post-employment obligations

The Group operates the following post-employment schemes:

- Defined Contribution plans such as superannuation, pension, provident fund (in case of certain employees) and Employee State Insurance Corporation (ESIC).
- Defined Benefit plans such as gratuity, provident fund (in case of certain employees), post-retirement medical benefits and non-compete fees (eligible whole-time directors and on their demise, their spouses are entitled to medical benefits subject to certain limits and fixed monthly payment as non-compete fee).

Defined Contribution Plans

The Group's contribution to superannuation fund, pension, provident fund (in case of certain employees) and employee state insurance scheme are considered as defined contribution plans, as the Group does not carry any further obligations apart from the contributions made on a monthly basis and are charged as an expense based on the amount of contribution required to be made.

In case of Superannuation, pension, provident fund (in case of certain employees) and employee state insurance scheme, contributions are made to the Life Insurance Corporation of India (LIC)/ Others.

Defined Benefit Plans

In case of Provident fund (in case of certain employees), contributions are made to a Trust administered by the Group. The liability or asset recognised in the Balance Sheet in respect of defined benefit gratuity, post-retirement medical benefits and non-compete fees plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated by actuaries using the projected unit credit method.

Eligible employees receive benefits from a provident fund which is defined benefit plan. Both the employees and the Group make monthly contributions to the provident fund plan equal to a specified percentage of the covered employees' salary. The Group contributes a part of the contributions to Employees Provident Fund. The rate at which the annual interest is payable to the beneficiaries by the Trust is being determined by the Government. The Group has an obligation to make good the shortfall, if any, between the return from the investments of the

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

Trust and the notified interest rate. Any obligation in this respect is measured on the basis of an independent actuarial valuation. The remaining portion is contributed to the Government administered pension fund in respect of which the Group has no further obligations. Prepaid contributions are recognised as an asset to the extent that a cash refund or reduction in the future payments are available.

The present value of the defined benefit obligation in respect of gratuity, post-retirement medical benefits and non-compete fees plans is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

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

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

In the case of subsidiary namely Eureka Forbes Limited, the subsidiary operates a defined benefit gratuity plan for employees. The subsidiary contributes to a separate trust administered by the subsidiary towards meeting the Gratuity obligation. The subsidiary's liability is determined on the basis of an actuarial valuation. Remeasurements of the net defined benefit liability as per the actuarial valuation report, which comprise actuarial gains and losses are recognised in OCI.

Pension policy

Lux Group companies operate various pension schemes. The schemes are generally funded by payments to insurance companies or trustee-administered funds. There are two different categories of such pension schemes:

- Swiss pension plans
- Foreign pension plans

Swiss pension plans

Swiss pension plans are stated according to SWISS GAAP FER 16

Employees and former employees receive different employee benefits and retirement pensions, which are determined in accordance with the legislative provision in Switzerland. All risks are reinsured and underfunding is not possible.

Foreign pension plans

Pension plans were restated according to Swiss GAAP FER 16 in 2014.

The following companies have pension plans: Lux Austria

There are other Lux Group companies that have internal or external pension plans. However these plans are not material for the Group and therefore no further information is disclosed. Since the above pension plans are operated as per the laws of respective countries, no adjustment has been carried out for differences.

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

2(xxii) Taxes on Income

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

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

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

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

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

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

Pursuant to the introduction of Section 115 VA under the Income Tax Act 1961, Shapoorji Pallonji Forbes Shipping Limited (subsidiary) has opted for computation of its income from shipping activities under the Tonnage Tax Scheme. Thus income from business of operating ships is assessed on the basis of deemed Tonnage Income of the Group and no deferred tax is applicable to such income as there are no timing differences. The timing difference in respect of the non-tonnage activities of the subsidiary are not material, in view of which deferred taxation is not considered as necessary.

2(xxii) Lease Accounting*As a lessee:*

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

The Group has entered into lease arrangements as a lessee for premises for operating customer relationship center, guest houses, head office and regional offices, residential premises for their employees so as to help the employees to get settled to new location and warehouse for receiving, storing and dispatch of goods and vehicles. In case of warehouses, on the basis of past practice the entire period of the contract has been considered

for lease term depending on the reasonable certainty to continue with the same service provider. Generally, these lease contracts do not include extension or early termination options.

Contracts may contain both lease and non lease components. The Group allocates the consideration in the contracts to the lease and non-lease components based on their relative standalone prices. However, the Group has elected not to separate lease and non-lease components and instead account for these as a single lease components.

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

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

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

To determine the incremental borrowing rate, the Group:

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

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

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

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

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

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

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

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

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

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

As a lessor:

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

2(xxiii) Segment Reporting

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

2(xxiv) Provisions and Contingent Liabilities

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

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

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

Onerous Contracts

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

Warranties

Provisions for the expected cost of warranty obligations under local sale of good legislations are recognised at the date of sale of the relevant products, at the management's best estimate of the expenditure required to settle the Group's obligation.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

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

2(xxv) Goodwill On Consolidation

Goodwill comprises the portion of a purchase price for an acquisition that exceeds the Group's share of the identifiable assets, with deductions for liabilities, calculated on the date of acquisition.

Goodwill arising from the acquisition of associate companies and joint ventures is included in the value of the Group's holdings in the associate and joint ventures.

Goodwill is deemed to have an indefinite useful life and is reported at acquisition value with deduction for accumulated impairments. Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value-in-use and fair value less cost to sell. The goodwill impairment test is performed at the level of the cash generating unit or groups of cash-generating units which are benefitting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes.

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.

Any impairment loss for goodwill is recognised directly in the Statement of Profit and Loss, and is not reversed in subsequent periods. On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the Statement Profit and Loss on disposal.

2(xxvi) Government Grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received. These are

recognised in the Statement of Profit and Loss on a systematic basis over the period in line with the related costs.

2(xxvii) Cash and Cash Equivalents

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

2(xxviii) Non-Current Assets Held For Sale

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

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

Current assets are not depreciated or amortised while they are classified as held for sale.

2(xxix) Principles of business combinations

The acquisition method of accounting under Ind AS is used to account for business combinations by the Group from the date of transition to Ind AS i.e. 1st April, 2015. Prior to the date of transition to Ind AS, business acquisitions have been accounted based on previous GAAP.

2(xxx) Dividend

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

2(xxxi) Discontinued Operations

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of or is classified as held for sale and represents:

- a. A separate major line of business or geographical area of operations or

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

- b. Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations or
- c. Is a subsidiary acquired exclusively with a view to resale

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the Statement of Profit and Loss.

The Company re-presents the aforesaid disclosures in respect of discontinued operations for all prior periods presented in the financial statements so that the disclosures relate to all operations that have been discontinued by the end of the reporting period for the latest period presented. All other notes to the financial statements mainly include amounts for continuing operations, unless otherwise mentioned.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

3.1 Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (refer Note 3.2 below), that the directors have made in the process of applying the accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

- 3.1.1. The Svadeshi Mills Company Limited (Svadeshi) is not an associate of the Group although the Group owns a 23% ownership interest (including indirect) in Svadeshi, as the Assets of Svadeshi continue to be in the hands of the Official Liquidator, High Court, Bombay. The Review Petition had been filed against the Order dated 23rd February, 2016 whereby the Special Leave Petition (SLP) was dismissed. The said Review Petition filed before the Hon'ble Supreme Court was dismissed vide Order dated 26th August, 2016. The records of Svadeshi are in the custody of the Official Liquidator. Hence, the Group

does not have significant influence over Svadeshi as Svadeshi is under liquidation.

3.2 Key sources of estimation uncertainty

3.2.1 Real Estate Development:

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

3.2.2 Contingent Liabilities and Provisions

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

3.2.3 Useful life and residual value of Property, Plant and Equipment, Intangible Assets and Investment Properties

As described in Notes 2.7, 2.9 and 2.10, the Group reviews the estimated useful life and residual values of property, plant and equipment, intangibles and investment properties at each reporting date.

3.2.4 Fair value measurement and valuation process

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. The management of the Group determines the appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where such inputs are not available, the Group engages third party qualified valuers to perform the valuation.

3.2.5 Impairment of Goodwill on consolidation

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

3.2.6 Impairment of Trade Receivables

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

3.2.7 Defined Benefit Obligations

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

3.2.8 Deferred Tax Asset

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

3.2.9 Refund Liabilities

Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur. An estimate is made for goods that will be returned and a liability has been recognised for this amount as refund liability (included in other current liabilities). An asset has also been recorded (included in other current assets) for the corresponding inventory that is estimated to return to the group using a best estimate based on accumulated experience.

3.2.10 Intangible assets under development

The Group capitalises intangible asset under development for a project in accordance with the accounting policy. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits.

3.3 ADOPTION OF NEW AND AMENDED ACCOUNTING STANDARDS

(i) New and amended standards adopted by the Company

Ministry of Corporate Affairs (MCA), vide notification dated 23rd March, 2022, has made the following amendments to Ind AS which are effective 1st April, 2022:

- a. Ind AS 109: Annual Improvements to Ind AS (2021)
- b. Ind AS 103: Reference to Conceptual Framework
- c. Ind AS 37: Onerous Contracts - Costs of Fulfilling a Contract
- d. Ind AS 16: Proceeds before intended use Based on preliminary assessment, the Group has adopted these amendments in its consolidated financial statements.

The amendments listed above did not have any impact on the amounts recognized in prior periods or current period and are not expected to significantly affect the future periods.

(ii) New amendments issued but not effective

Ministry of Corporate Affairs (MCA), vide notification dated 31st March, 2023, has made the following amendments to Ind AS which are effective 1st April, 2023:

- a. Amendments to Ind AS 1, Presentation of Financial Statements where the companies are now required to disclose material accounting policies rather than their significant accounting policies.
- b. Amendments to Ind AS 8, Accounting policies, Changes in Accounting Estimates and Errors where the definition of 'change in account estimate' has been replaced by revised definition of 'accounting estimate'.
- c. Amendments to Ind AS 12, Income Taxes where the scope of Initial Recognition Exemption (IRE) has been narrowed down.

Based on preliminary assessment, the Company does not expect these amendments to have any significant impact on its consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

4. Property, Plant and Equipment (own, unless otherwise stated)

Particulars	Buildings	Plant and Equipment (Owned)	Furniture and Fixtures	Vehicles	Office Equipments	Data Processing Equipments	Shipping Vessels	Total
Cost or Deemed cost								
Balance as at 31 st Mar., 2021	5,421.16	8,379.59	1,298.71	61.18	276.00	988.69	19,386.67	35,812.00
Additions	180.53	833.29	82.41	44.62	6.08	182.09	1,344.73	2,673.75
Transferred from investment property	53.58	-	-	-	-	-	-	53.58
Effect of foreign currency exchange difference	(39.46)	-	(5.97)	-	-	-	-	(45.43)
Deconsolidated on Loss of Control	-	-	-	-	-	-	(20,731.40)	(20,731.40)
Disposals	(679.37)	(75.41)	(85.58)	(34.31)	(14.69)	(141.82)	-	(1,031.18)
Balance as at 31 st Mar., 2022	4,936.44	9,137.47	1,289.57	71.49	267.39	1,028.96	-	16,731.32
Additions	119.55	332.43	107.17	-	-	19.66	-	594.89
Transferred from investment property	-	-	-	-	-	-	-	-
Effect of foreign currency exchange difference	(6.41)	-	38.48	-	-	-	-	32.07
Deconsolidated on Loss of Control	-	-	-	-	-	-	-	-
Disposals	(1.99)	(259.51)	(83.68)	-	(12.53)	(29.22)	-	(386.93)
Assets pertaining to discontinued operations	-	219.00	-	-	-	-	-	219.00
On Account of business combination (Refer note 66)	-	-	-	-	-	-	-	-
Balance as at 31 st Mar., 2023	5,047.59	9,429.39	1,351.54	71.49	270.94	1,019.40	-	17,190.35
Accumulated depreciation and Impairment								
Balance as at 31 st Mar., 2021	1,206.16	3,151.35	827.26	45.68	250.20	923.09	6,917.75	13,321.49
Depreciation expense	181.82	926.35	130.82	12.53	13.15	47.22	1,245.71	2,557.60
Deconsolidated on Loss of Control	-	-	-	-	-	-	(8,163.46)	(8,163.46)
Disposals	(591.24)	(36.17)	(72.47)	(34.31)	(14.30)	(140.33)	-	(888.82)
Deletion on account of disposal of subsidiary (Refer Note 66)	-	-	-	-	-	-	-	-
Effect of foreign currency exchange difference	(7.83)	-	(5.68)	-	-	-	-	(13.51)
Reclassification as Right-of-use assets	-	-	-	-	-	-	-	-
Transferred from investment property	30.34	-	-	-	-	-	-	30.34
Balance as at 31 st Mar., 2022	819.25	4,041.53	879.93	23.90	249.05	829.98	-	6,843.64
Depreciation expense	187.47	929.68	116.16	17.38	9.11	56.54	-	1,316.34
On Account of business combination (Refer note 66)	-	-	-	-	-	-	-	-
Disposals	(0.22)	(256.72)	(2.20)	-	(9.32)	(27.30)	-	(295.76)
Deletion on account of disposal of subsidiary (Refer Note 66)	-	-	-	-	-	-	-	-
Effect of foreign currency exchange difference	6.69	-	31.67	-	-	-	-	38.36
Impairment	-	-	-	-	-	-	-	-
Reclassification as Right-of-use assets	-	-	-	-	-	-	-	-
Transferred from investment property	-	-	-	-	-	-	-	-
Balance as at 31 st Mar., 2023	1,013.19	4,714.49	1,025.56	41.28	248.84	859.22	-	7,902.58
Carrying Amount								
Balance as at 31 st Mar., 2023	4,034.40	4,714.90	325.98	30.21	22.10	160.18	-	9,287.77
Balance as at 31 st Mar., 2022	4,117.19	5,095.94	409.64	47.59	18.34	198.98	-	9,887.68

Footnotes:

- 1 Plant and equipment includes assets that are jointly owned. (Carrying amount is Nil)
- 2 Data Processing Equipments includes equipments under lease having net carrying amount of ₹ Nil Lakhs (Previous Year ₹ 0.79 Lakhs).
- 3 Refer Note 65 for details of Property, Plant and Equipment pledged as security for the loans obtained from banks.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

4.1 (a) Capital work-in-progress

₹ In Lakhs

Particulars	As at 1 st Apr., 2022	Additions	Amounts Capitalised	As at 31 st Mar., 2023
Capital work in progress	81.82	618.63	517.66	182.80

Previous year

₹ In Lakhs

Particulars	As at 1 st Apr., 2021	Additions	Amounts Capitalised	As at 31 st Mar., 2022
Capital work in progress	197.85	3,670.69	3,786.72	81.82

* Includes ₹ 2,277.08 lakhs paid towards Urban Land (Ceiling & Regulation) Act, 1976 premium for assets held for sale. Also refer Note 16A.

(b) Capital work-in-progress - Ageing

Current year

₹ In Lakhs

	Amounts in capital work-in-progress for				
	Less than one year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	182.80	-	-	-	182.80
Projects temporarily suspended	-	-	-	-	-
Total	182.80	-	-	-	182.80

Previous year

₹ In Lakhs

	Amounts in capital work-in-progress for				
	Less than one year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	81.82	-	-	-	81.82
Projects temporarily suspended	-	-	-	-	-
Total	81.82	-	-	-	81.82

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

(c) Title deeds of immovable properties not held in the name of the Group :

i) In case of the Company, title deeds of properties are as follows:

Relevant line item in the Balance Sheet	Description of property	Gross carrying value (₹ in Lakhs)	Title deeds held in the name of	Whether title deed holder is a promoter, director or their relative or employee	Period held - indicate range, where appropriate (years)	Reason for not being held in the name of the Company
Property, plant and equipment and Investment Property	Land and building in Mumbai and Delhi	19.08	Gokak Patel Volkart Limited	No	14	Administrative procedures for change of name from Gokak Patel Volkart Limited, 2 nd erstwhile name of the Parent Company has not been carried out.
Property, plant and equipment and Investment Property	Land, factory building and office premises at Mumbai, Thane, Ahmedabad, Bangalore and Chennai	1,624.96	Forbes Gokak Limited	No	8-60	Administrative procedures for change of name from Forbes Gokak Limited, the 3 rd erstwhile name of the Parent Company has not been carried out.
Investment Property	Premises at Chennai	40.76	Facit Asia Limited	No	13	Administrative procedures for change of name from Facit Asia Limited (FAL) has not been carried out. FAL was merged with FAL Industries Limited (this entity was subsequently merged with Forbes Gokak Limited, the Parent Company's 3 rd erstwhile name).
Investment Property	Premises at Tuticorin	27.36	Volkart India Limited	No	14	Administrative procedures for change of name from Volkart India Limited (VIL) has not been carried out. VIL merged with Patel Volkart Limited which was subsequently amalgamated with Gokak Mills Limited, the Parent Company's 1 st erstwhile name.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

5. Right-of-use assets

₹ in Lakhs

Particulars	Premises	Land	Vehicles	Total
Cost or Deemed Cost				
Balance as at 31st Mar., 2021	2,242.21	19.04	735.91	2,997.16
Additions	599.37	-	378.91	978.28
Disposals	(343.91)	-	(101.80)	(445.71)
Effect of foreign currency exchange difference	(67.04)	-	(21.72)	(88.76)
Balance as at 31st Mar., 2022	2,430.63	19.04	991.30	3,440.97
Additions	845.86	-	-	845.86
Disposals	(23.65)	-	-	(23.65)
Effect of foreign currency exchange difference	129.75	-	-	129.75
Balance as at 31st Mar., 2023	3,382.59	19.04	991.30	4,392.93
Accumulated depreciation				
Balance as at 31st Mar., 2021	954.54	0.17	385.08	1,339.79
Depreciation expense for the year	356.64	0.91	184.11	541.66
Disposals	(104.30)	-	-	(104.30)
Effect of foreign currency exchange difference	-	-	-	-
Balance as at 31st Mar., 2022	1,206.88	1.08	569.19	1,777.15
Depreciation expense for the year	510.32	0.31	-	510.63
Disposals	-	-	-	-
Effect of foreign currency exchange difference	(7.55)	-	-	(7.55)
Balance as at 31st Mar., 2023	1,709.65	1.39	569.19	2,280.23
Carrying amount				
Balance as at 31st Mar., 2023	1,672.94	17.65	422.11	2,112.70
Balance as at 31st Mar., 2022	1,223.75	17.96	422.11	1,663.82

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

6. Investment Properties (Own, unless otherwise stated)

₹ in Lakhs

Particulars	As at 31 st Mar., 2023	As at 31 st Mar., 2022
Completed investment properties	2,176.85	2,259.68
Total	2,176.85	2,259.68

Cost or Deemed Cost	₹ in Lakhs	
Balance as at 1 st Apr., 2022/1 st Apr., 2021	2,669.38	2,726.64
Transferred to Property, Plant and Equipment (refer Note 4)		(53.58)
Property classified as held for sale	(8.11)	-
Disposal	(16.59)	(3.68)
Balance as at 31st Mar., 2023/31st Mar., 2022	2,644.68	2,669.38

₹ in Lakhs

Accumulated depreciation and impairment	As at 31 st Mar., 2023	As at 31 st Mar., 2022
Balance as at 1 st Apr., 2022/1 st Apr., 2021	409.70	377.59
Depreciation expense	61.51	63.25
Transferred to Property, Plant and Equipment (refer Note 4)	-	(30.34)
Disposal	(3.38)	(0.80)
Balance as at 31st Mar., 2023/31st Mar., 2022	467.83	409.70

Carrying amount	₹ in Lakhs	
Balance as at 31 st Mar., 2023/31 st Mar., 2022	2,176.85	2,259.68

All of the Group's investment properties are held under freehold interests.

Amount recognised in the Consolidated Statement of Profit and Loss for investment properties :

₹ in Lakhs

Description of assets	Year ended March 31, 2023	Year ended March 31, 2022
Direct operating expenses:		
- that generated rental income	698.41	1,076.13
- that did not generate rental income	18.84	22.07

Notes:

- a. Investment properties (Cost) include: (i) Jointly owned Residential Premises including land aggregating ₹ 1,551.52

Lakhs (Previous Year ₹ 1,551.52 Lakhs); (ii) Shares in Co-operative Housing Societies, Association of apartment owners and in a Company ₹ 0.17 Lakh (Previous Year ₹ 0.17 Lakh).

- b. Investment properties includes the rights in respect of the land and building at Fort, Mumbai with net carrying value of ₹ 231.50 Lakhs (Previous year ₹ 270.08 Lakhs) of which ₹ 36.13 Lakhs (Previous year ₹ 42.15 Lakhs) has been disclosed under property, plant and equipment (Refer Note 4). The Parent Company has received approval for lease for the period 25th Septmeber, 2006 to 24th September, 2036 for 30 years u/s 92(K) of BMC Act, 1888.

c. Fair value measurement of the Group's investment properties

The fair value of the Group's investment properties as at 31st March, 2023 and 31st March, 2022 have been arrived at on the basis of a valuation carried out as on the respective dates by V.S. Modi, independent valuer not related to the Group. V.S. Modi is registered with the authority which governs the valuers in India, and have appropriate qualifications and recent experience in the valuation of properties in the relevant locations. The fair value was determined based on the market comparable approach that reflects recent transaction prices for similar properties as well as other lettings of similar properties in the neighbourhood. In estimating the fair value of the properties, the highest and best use of the properties is their current use. Thus, the significant unobservable inputs are recent transaction price, taking into account the differences in location, and individual factors, such as frontage and size, between the comparables and the properties. Details of the Group's investment properties and information about the fair value hierarchy as at 31st March, 2023 and 31st March, 2022 are as follows:

₹ in Lakhs

Particulars	Level 3	
	As at 31 st Mar., 2023	As at 31 st Mar., 2022
Andhra Pradesh - Land	28.51	28.51
Delhi - Building	1,075.25	1,052.52
Gujarat - Land and Building	568.11	545.95
Kerala - Building	205.00	193.75
Maharashtra - Land and Building	63,580.74	63,063.43
Tamil Nadu - Land and Building	79.04	313.84
West Bengal - Building	686.83	641.95
Office Units located in India- Pune City	173.00	160.00
Karnataka - Building	170.00	160.00
Total	66,566.48	66,159.95

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

7. Goodwill

₹ in Lakhs

Particulars	Level 3	
	As at 31 st Mar., 2023	As at 31 st Mar., 2022
Cost (or deemed cost)	-	57,727.94
Accumulated impairment losses	-	57,727.94
Total	-	-

₹ in Lakhs

Cost or Deemed Cost	As at 31 st Mar., 2023	As at 31 st Mar., 2022
Balance at beginning of year	-	58,830.52
Effect of foreign currency exchange differences (refer Note 55)	-	(1,102.58)
Balance at end of year	-	57,727.94

₹ in Lakhs

Accumulated depreciation and impairment	As at 31 st Mar., 2023	As at 31 st Mar., 2022
Balance at beginning of year	-	28,380.13
Impairment losses recognised in the year (refer Note 55)	-	29,347.81
Balance at end of year	-	57,727.94

8 Other Intangible assets

₹ in Lakhs

Particulars	Product Development Expenditure	Computer Software (Acquired)	Computer Software (Internally Generated)	Other Intangible Assets	Total
Cost or Deemed cost					
Balance as at 31st Mar., 2021	4,112.14	722.97	11,332.76	336.51	16,504.38
Additions	42.18	49.45	-	91.95	183.58
Disposal	(80.14)	(56.16)	-	-	(136.30)
Effect of foreign currency exchange difference	(128.91)	-	-	4.48	(124.43)
Balance as at 31st Mar., 2022	3,945.27	716.26	11,332.76	432.94	16,427.23
Additions	23.03	40.22	-	43.40	106.65
Disposal	-	-	-	(110.71)	(110.71)
Effect of foreign currency exchange difference	50.96	-	-	(30.84)	20.12
Balance as at 31st Mar., 2023	4,019.26	756.48	11,332.76	334.79	16,443.29
Accumulated amortisation and Impairment					
Balance as at 31st Mar., 2021	3,107.35	523.66	9,928.30	115.51	13,674.82
Amortisation expense	332.23	65.48	544.94	38.47	981.12
Disposal	(73.39)	(56.16)	-	-	(129.55)
Effect of foreign currency exchange difference	(112.61)	-	-	2.27	(110.34)
Balance as at 31st Mar., 2022	3,253.58	532.98	10,473.24	156.25	14,416.05
Amortisation expense	288.87	132.39	358.07	52.14	831.47
Disposal	-	-	-	-	-
Impairment	-	-	500.00	-	500.00

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

Particulars	Product Development Expenditure	Computer Software (Acquired)	Computer Software (Internally Generated)	Other Intangible Assets	Total
Effect of foreign currency exchange difference	7.40	-	-	(52.51)	(45.11)
Balance as at 31 st Mar., 2023	3,549.85	665.37	11,331.31	155.88	15,702.41
Carrying Amount					
Balance as at 31 st Mar., 2023	469.41	91.11	1.45	178.91	740.86
Balance as at 31 st Mar., 2022	691.69	183.28	859.52	276.69	2,011.18

Notes:

- 1 Carrying amount of internally developed product related softwares and related technologies for one of the subsidiary, Forbes Technosys Limited, is as follows:

Particular	₹ in Lakhs		Particulars	₹ in Lakhs	
	As at 31 st Mar, 2023	As at 31 st Mar, 2022		For the year ended 31 st Mar., 2023	For the year ended 31 st Mar., 2022
Cheque truncation system	-	854.76	Related to Continuing operations		
Other computer softwares	1.45	4.76	Intangible assets	500.00	-
	1.45	859.52	Intangible assets under development	-	161.49
			Total Disclosed as exceptional items	500.00	161.49
			Total impairment expenses for the year	500.00	161.49

- 2 During the year, based on Forbes Technosys Limited (FTL) management's assessment about the of development, expected time and cost required to complete and expected revenues from the projects, FTL has concluded that following projects were impaired. Impairment expense of ₹ 500.00 lakhs (*Previous Year ₹ 161.49 lakhs*) in respect of assets related to continuing operations is presented as an exceptional item in the Statement of Profit and Loss.

8.1 Movement for Intangible assets under development

Particulars	₹ in Lakhs			
	As at 1 st Apr., 2022	Additions	Impairment	As at 31 st Mar., 2023
Intangible asset under development	-	-	-	-

Particulars	₹ in Lakhs			
	As at 1 st Apr., 2021	Additions	Impairment	As at 31 st Mar., 2022
Intangible asset under development	161.49	-	(161.49)	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

9. Trade receivables

9A. Non Current

Particulars	₹ in Lakhs	
	As at 31 st Mar., 2023	As at 31 st Mar., 2022
Trade receivables		
a) Considered good - Unsecured	844.95	1,096.61
b) Credit impaired	155.88	221.01
Less : Allowance for doubtful debts (expected credit loss allowances)	155.88	221.01
	-	-
Total	844.95	1,096.61

There are no balances having significant increase in credit risk.

9B. Current

Particulars	₹ in Lakhs	
	As at 31 st Mar., 2023	As at 31 st Mar., 2022
Trade receivables		
a) Considered good - Secured	82.47	108.53
b) Considered good - Unsecured	5,727.25	8,589.13
c) Credit impaired	5,686.26	4,322.58
Less : Allowance for doubtful debts (expected credit loss allowances)	5,686.26	4,322.58
	-	-
Total	5,809.72	8,697.66

There are no balances having significant increase in credit risk.

i)	₹ in Lakhs	
Debts due by private companies in which a director is a director / member (₹ in Lakhs) (refer Note 48)	1.81	61.92
Less : Allowance for doubtful debts (expected credit loss allowance)	-	-
Net Debts	1.81	61.92

ii) The Group applies the simplified approach to providing for expected credit losses prescribed by Ind AS 109, which permits the use of lifetime expected loss provision for all trade receivables. The Group has computed expected credit losses based on provision matrix which uses historical credit loss experience of the Group. Forward looking information has been incorporated into the determination of expected credit losses.

The Group has written off / provided for receivable where non-recoverability is established. Group believes that the unimpaired amounts that are past due are still collectible in full, based on historical payment behaviour.

In shipping business, historical credit loss experience has been considered and in past, no credit loss is suffered. In future, there will be no expected credit loss as vessels are under pool agreement.

iii) Movement in expected credit allowance

Particulars	₹ in Lakhs	
	As at 31 st Mar., 2023	As at 31 st Mar., 2022
Balance at beginning of the year	4,543.59	4,036.38
Impairment losses recognised on receivables net of utilisation	1,340.23	931.02
Amounts written off during the year as uncollectible	(86.91)	(240.35)
Impact of foreign currency translations	84.04	(85.89)
Amounts recovered during the year	(38.81)	(97.57)
Balance at end of the year	5,842.14	4,543.59

iv) For one of the subsidiary, Forbes Technosys Limited, the following customer types are considered while making such assessment for the purpose of determining the expected credit loss allowance.

Category of Customers	₹ in Lakhs	
	As at 31 st Mar., 2023	As at 31 st Mar., 2022
Banks	2,869.81	2,875.38
Dealers	22.62	105.65
Government	724.49	820.68
Related Party	0.30	6.10
Others	175.39	317.26
	3,792.61	4,125.07

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

9. Trade receivables

Ageing of Gross Trade Receivables as on 31st March, 2023

	Unbilled	Not due	Outstanding for the following periods from the due date					₹ in Lakhs
								Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables								
Considered good	-	2,169.67	4,096.74	97.54	33.64	236.12	20.96	6,654.67
which have significant increase in credit risk	-	-	-	-	-	-	-	-
credit impaired	-	-	564.68	34.64	35.93	63.87	4,935.52	5,634.64
Disputed trade receivables								
Considered good	-	-	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-	207.50	207.50
Total	-	2,169.67	4,661.42	132.18	69.57	299.99	5,163.98	12,496.81

Ageing of Gross Trade Receivables as on 31st March, 2022

	Unbilled	Not due	Outstanding for the following periods from the due date					₹ in Lakhs
								Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables								
Considered good	-	6,600.35	1,389.07	185.19	451.61	758.10	409.95	9,794.27
which have significant increase in credit risk	-	-	-	-	-	-	-	-
credit impaired	-	730.22	15.02	37.68	115.40	180.59	1,580.08	2,658.99
Disputed trade receivables								
Considered good	-	-	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-	1,884.60	1,884.60
Total	-	7,330.57	1,404.09	222.87	567.01	938.69	3,874.63	14,337.86

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

10 Non Current Investments

10A. Investments in associates

Particulars	₹ in Lakhs			
	As at 31 st Mar., 2023		As at 31 st Mar., 2022	
	Qty	Amount	Qty	Amount
Unquoted Investments (all fully paid)				
1. Equity shares of ₹ 10 each in Neuvo Consultancy Services Limited	58,849	5.88	58,849	5.88
Post acquisition share in profits		1,090.67		989.03
		<u>1,096.55</u>		<u>994.91</u>
TOTAL INVESTMENTS		<u><u>1,096.55</u></u>		<u><u>994.91</u></u>

10B. Investments in joint ventures

Particulars	₹ in Lakhs			
	As at 31 st Mar., 2023		As at 31 st Mar., 2022	
	Qty	Amount	Qty	Amount
Unquoted Investments (all fully paid)				
Equity instrument (at cost less impairment)				
1. Equity shares of ₹ 10 each in Forbes Bumi Armada Limited	28,05,000	280.56	28,05,000	280.56
Post acquisition share in profits		816.36		660.39
		<u>1,096.92</u>		<u>940.95</u>
2. Equity shares of ₹ 10 each fully paid up in Forbes Concept Hospitality Services Private Limited	26,25,000	262.50	26,25,000	262.50
Post acquisition share in (Losses)		(262.50)		(261.98)
		<u>-</u>		<u>0.52</u>
3. Equity Investment in Forbes Macsa Private Limited	5,000	0.50		-
Share application money in Forbes Macsa Private Limited		249.50		-
Post acquisition share in (Losses)		(6.72)		-
		<u>243.28</u>		<u>-</u>
TOTAL INVESTMENTS		<u><u>1,340.20</u></u>		<u><u>941.47</u></u>

* Amount is below rounding off norm adopted by the Group.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

10C. Other investments

Particulars	₹ in Lakhs			
	As at 31 st Mar., 2023		As at 31 st Mar., 2022	
	Qty	Amount	Qty	Amount
Quoted Investments (all fully paid)				
Investments in Equity Instruments - measured at FVOCI				
Equity shares of ₹ 10 each Eureka Forbes Limited (Refer note 6 below)	24,95,970	10,650.30	24,95,970	9,766.73
		10,650.30		9,766.73
Investments in Equity Instruments - measured at FVTPL				
Equity shares of ₹ 10 each in New India Co-operative Bank Limited	5,500	0.05	5,500	0.05
Equity shares of ₹ 500 each in Tuticorin Chamber of Commerce* [Provision for impairment in value ₹ 0.05 Lakhs; (Previous Year ₹ 0.05 Lakhs)]	10	-	10	-
Equity Shares of ₹ 10 each in Simar Port Private Limited	1,000	0.10	1,000	0.10
Equity shares of ₹ 10 each in The Svadeshi Mills Company Limited [Provision for impairment in value ₹ 285.26 Lakhs (Previous Year ₹ 285.26 Lakhs)] (refer Note 57)	17,69,430	-	17,69,430	-
Equity Share of SGD 1 each in Forbes Container Lines Pte. Limited* [Provision for impairment in value ₹ 271.26 Lakhs (Previous Year ₹ 271.26 Lakhs)] (refer Note 2 below)	8,64,960	-	8,64,960	-
Equity shares of ₹ 25 each in Zoroastrian Co-operative Bank Limited	100	0.03	100	0.03
Equity shares of USD 1 each in Edumetry Inc. USA [Provision for impairment in value ₹ 35.48 Lakhs (Previous Year ₹ 35.48 Lakhs)] (refer Note 3 below)	2,500	-	2,500	-
Equity shares of ₹ 10 each in Forbes Edumetry Ltd (Refer Note 5 below) [Provision for impairment in value ₹ 144.36 Lakhs; (Previous Year ₹ 144.36 Lakhs)]	16,56,000	-	16,56,000	-
		0.18		0.18
Investments in Equity Instruments (at amortised cost)				
Equity shares of ₹ 10 each in Carmel Properties Private Limited (refer Note 4 below)	1,125	0.03	1,125	0.03
		0.03		0.03
Investment in Debentures (at amortised cost)				
Irredeemable debentures of ₹ 100 each in Carmel Properties Private Limited (refer Note 4 below)	3,089	3.89	3,089	3.89
		3.89		3.89
TOTAL INVESTMENTS		10,654.40		9,770.83

* Amount is below rounding off norm adopted by the Group.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

Note:

1. Pursuant to NCLT and Bombay High Court approval vide order dated 21st January, 2022 for capital reduction in Shapoorji Pallonji Forbes Shipping Limited ('SPFSL'), 2,01,25,000 equity shares of ₹ 10 each and 87,50,000 preference shares of ₹ 10 each were cancelled.

Further, SPFSL has incurred a loss of ₹ 879.84 Lakhs during the previous year ended 31st March, 2022 and SPFSL has sold some of its shipping vessels on which exceptional loss was incurred in the previous as well as in 31st March, 2021. As at the previous year-end only one ship remains and has been sold. Consequently, the recoverable value from use/ sale of the remaining vessels in SPSFL is lower as compared to the carrying value of the investment in SPFSL and an impairment provision of ₹ 791.41 Lakhs and ₹ 3,305.13 Lakhs respectively for the previous quarter and previous year ended 31st March, 2022 has been recorded as an exceptional expense.

Further, the Board of Directors of the Company at their meeting held on 23rd February, 2022 has approved the termination of the Joint Venture Agreement between Shapoorji Pallonji Forbes Shipping Limited ("SPFSL"), Sterling Investment Corporation Private Limited and G. S. Enterprises dated 1st December, 2014 with effect from close of business hours on 28th February, 2022. Consequently, w.e.f. 1st March, 2022, SPFSL ceases to be a subsidiary of the Company and now stands as an associate.

Accounting for loss of control over subsidiary has been carried out as depicted in Note 67(i).

The Board of Directors of the Company at their meeting held on 30th May, 2022 has approved the sale of its entire shareholding in SPFSL, an associate as at 31st March, 2022 of the Company. Accordingly, the net carrying value of the investment of ₹ 2,756.09 Lakhs has been classified as asset held for sale as at 31st March, 2022.

During one of the earlier year the Board of Directors of the Company had given their acceptance for a scheme of Capital reduction in Shapoorji Pallonji Forbes Shipping Limited ('SPFSL'), a subsidiary of the Company whereby 1,95,00,000 equity shares of ₹ 10 each were to be cancelled out of aggregate investment of 4,00,00,000 equity shares held by the Company. A petition was filed by SPFSL in the High Court of Judicature at Bombay on 2nd September, 2016. The scheme was approved by the Honorable Bombay High Court vide order dated 2nd December, 2016. Accordingly, the Company has recognized ₹ 1,931.50 Lakhs as loss on capital reduction of investment in equity shares and correspondingly, reversed the existing provisions of ₹ 2,380.00 Lakhs. The same was disclosed as an exceptional item in the Statement of Profit and Loss for the year ended 31st March, 2017.

2. Forbes Container Lines Pte. Limited., Singapore ("FCLPL"), a foreign subsidiary of the Company has been ordered to be wound by the High Court of Republic of Singapore on 19th August, 2016. An official liquidator has been appointed by the court. The Company has made full provision for investments made and loans given to FCLPL. Accordingly, this entity is no longer a related party for the Group and not consolidated in these financial statements.
3. Edumetry Inc., USA , a foreign joint venture of the Group has been dissolved vide Certificate of Dissolution dated 28th October, 2015 issued by the State of Delaware. Consequently, the Group does not have any significant influence or control over Edumetry Inc. as on date. Accordingly, this entity is no longer a related party for the Group and not consolidated in these financial statements. The group has made full provision for these investments in earlier years.
4. The market value of Carmel Properties, a residential flat at Mumbai, as at 31st March, 2023 is ₹ 1,017.83 Lakhs, (*Previous Year ₹ 1,006.24 Lakhs*) as per valuation report issued by V. S. Modi Associates, Chartered Engineers, Government Approved Valuers, Mumbai.
5. Forbes Edumetry Limited, a subsidiary, has initiated voluntary winding up under section 500 and other applicable sections of the Companies Act, 1956. Consequently, the Company does not have any significant influence or control over Forbes Edumetry Limited and therefore it is being reclassified from subsidiary to other investment. Further, Investments made in Forbes Edumetry Limited are fully provided.
6. A composite scheme of arrangement is entered between the Company, erstwhile Eureka Forbes Limited ("EFL") and subsidiaries of EFL being Forbes Enviro Solutions Limited ("FESL"), Aquaignis Technologies Private Limited ("ATPL"), Euro Forbes Financial Services Limited ("EFFSL") and their respective shareholders ("Scheme") was filed with Hon'ble National Company Law Tribunal ("NCLT") Mumbai Bench after approval of Board of Directors of the respective companies on September 8, 2020. Upon the scheme being effective and pursuant to provisions of the scheme, the name of EFL shall be changed from "Forbes Enviro Solutions Limited" to "Eureka Forbes Limited". The Demerger and the consequent allotment of shares of FESL to the company shall be completed upon inter alia the approval of the scheme by NCLT and the completion/satisfaction of other procedures. Thereafter, the shares issued and allotted by FESL shall be listed on the relevant stock exchange.

Pursuant to order dated 25th January, 2022 of the Hon'ble NCLT, Mumbai Bench, the composite scheme of merger was approved and in consideration, 15 fully paid up equity shares of ₹ 10/- each of EFL were allotted to the equity share holders of the Company against 1 equity share of ₹ 10/- each held by them in the Company. (Refer Note 66)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

10D. Current Investments

Particulars	₹ in Lakhs			
	As at 31 st Mar., 2023		As at 31 st Mar., 2022	
	Qty	Amount	Qty	Amount
Unquoted Investments (all fully paid)				
Investments in Mutual Funds at FVTPL				
Units of HDFC Mutual Fund	11,228.40	492.25	-	-
Units of ICICI Prudential Mutual Fund	2,01,614.66	666.65	-	-
Units of SBI Mutual Fund	7,430.23	259.77	-	-
TOTAL INVESTMENTS		1,418.67		-

10E. Category-wise investments – as per Ind AS 109 classification

Particulars	₹ in Lakhs	
	As at 31 st Mar., 2023	As at 31 st Mar., 2022
Financial assets carried at fair value through Other Comprehensive Income (FVOCI)		
Equity Instruments	10,650.30	9,766.73
	10,650.30	9,766.73
Financial assets carried at fair value through profit or loss (FVTPL)		
Equity Instruments	0.18	0.18
Mutual Funds	1,418.67	-
	1,418.85	0.18
Financial assets carried at amortised cost		
Debentures	3.89	3.89
Equity Instruments	0.03	0.03
	3.92	3.92
Financial assets carried at cost less impairment		
Equity Instruments	2,436.75	1,936.38
	2,436.75	1,936.38
Total	14,509.82	11,707.21
Footnotes:		
Aggregate amount of quoted non current investments (net of impairment) and market value thereof	10,650.30	9,766.73
Aggregate amount of unquoted non current investments (net of impairment) and market value thereof	3,859.52	1,940.48
Aggregate amount of impairment in value of investments	736.41	736.41

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

11. Loans

(unsecured considered good unless otherwise stated)

11A. Non Current

Particulars	₹ in Lakhs	
	As at 31 st Mar., 2023	As at 31 st Mar., 2022
a) Loans to Others		
Secured, Credit impaired	4,391.78	4,391.78
Less : Loss Allowance	4,391.78	4,391.78
	-	-
Unsecured, Credit impaired	39.54	39.54
Less : Loss Allowance	39.54	39.54
	-	-
Total	-	-

11B. Current

Particulars	₹ in Lakhs	
	As at 31 st Mar., 2023	As at 31 st Mar., 2022
a) Loans to Others		
Credit impaired	375.00	375.00
Less : Loss Allowance	375.00	375.00
	-	-
b) Loans to Employees		
Considered good - Unsecured	10.61	0.83
Total	10.61	0.83

11C. Movement in the allowance for bad and doubtful loans

	₹ in Lakhs	
	Year Ended 31 st Mar., 2023	Year Ended 31 st Mar., 2022
Balance at beginning of the year	4,806.32	4,806.32
Impairment losses/ (reversal) recognised on receivables (including impact of foreign currency fluctuations)	-	-
Amounts Utilised/ Reversed/ Others	-	-
Balance at end of the year	4,806.32	4,806.32

12. Inventories

Particulars	₹ in Lakhs	
	As at 31 st Mar., 2023	As at 31 st Mar., 2022
Inventories (lower of cost and net realisable value)		
Raw materials, Packing materials and Components [includes in transit ₹ 5.55 Lakhs (Previous Year ₹ 287.74 Lakhs)]	719.71	1,893.95
Work-in-progress	1,028.68	817.19
Finished goods [includes in transit ₹ 343.06 Lakhs (Previous Year ₹ 199.45 Lakhs)]	1,341.73	1,388.57
Stock-in-trade [includes in transit ₹ Nil (Previous Year ₹ 12.14)]	3,325.77	3,942.39
Stores and spares	125.10	141.62
Real estate development work-in-progress (Refer Note 63)	14,605.56	11,973.79
Total	21,146.55	20,157.51

The cost of inventories recognised as an expense includes ₹ 85.38 Lakhs (Previous Year ₹ 1,518.66 Lakhs) in respect of write-downs of inventory to net realisable value.

13.

13A. Cash and cash equivalents

Particulars	₹ in Lakhs	
	As at 31 st Mar., 2023	As at 31 st Mar., 2022
Balances with Banks		
a) In current accounts	1,827.87	1,669.05
b) In EEFC Account	24.80	61.65
c) Deposits accounts (with original maturity upto 3 months)	2,704.43	-
	4,557.10	1,730.70
Cash on hand	0.05	0.06
	0.05	0.06
Total	4,557.15	1,730.76

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

13B. Bank balances

Particulars	₹ in Lakhs	
	As at 31 st Mar., 2023	As at 31 st Mar., 2022
a) In deposit accounts with more than 3 months but less than 12 months ** #	1,485.88	97.05
b) Balances held as margin money / under lien with remaining maturity of less than 12 months*@	448.27	326.91
c) Earmarked balance with the banks: - Unpaid dividends	64.75	24.30
Total	1,998.90	448.26

** Includes deposits pledged as security against borrowings.

Includes deposits lodged as security with government authorities.

* Includes amounts deposited with Axis Bank (Dubai) under Debt Service Reserve to be maintained as part of loan agreement which has been marked under lien with bank.

@ Includes ₹ 116.79 lakhs FD Guarantee given by FTL to the bank.

14. Other financial assets

14A. Non current

(unsecured considered good unless otherwise stated)

Particulars	₹ in Lakhs	
	As at 31 st Mar., 2023	As at 31 st Mar., 2022
a) Security deposits		
Considered good - Unsecured (refer Note 1 below)	451.26	473.73
Credit impaired	9.23	2.89
Less : Loss Allowance	9.23	2.89
	<u>451.26</u>	<u>473.73</u>
b) Bank deposits with more than 12 months maturity	-	6.31
c) Balance held with banks as margin money deposits with remaining maturity of more than 12 months	18.82	18.76
Total	470.08	498.80

14B. Current

(unsecured considered good unless otherwise stated)

Particulars	₹ in Lakhs	
	As at 31 st Mar., 2023	As at 31 st Mar., 2022
a) Security deposits		
Considered good - Unsecured	5.23	17.17
Credit impaired	34.82	22.88
Less : Loss Allowance	34.82	22.88
	<u>5.23</u>	<u>17.17</u>
b) Interest accrued on deposits with bank/ inter corporate deposits	22.15	0.70
c) Contractually reimbursable expenses from related parties	222.49	80.10
d) Other current receivables (Refer Note 2 below)	0.36	3.97
e) Earnest Money Deposits	53.23	83.47
Credit impaired	21.04	-
Less : Loss Allowance	21.04	-
	<u>53.23</u>	<u>83.47</u>
Total	303.46	185.41

Note

- Security deposit includes deposit given to Marida Tankers Inc and Stainless Tanker Inc (the pool) in the form of bunker as well as deposit and in USD provided by a subsidiary, on its vessels at the time of their entry in the Marida Tankers Inc pool and on its one vessel at time of entry in the Stainless Tankers Inc towards working capital funds for vessels operation.
- Other current receivables includes the insurance claim receivable from the insurance company towards vessel break down repair cost. Also refer note 53.

14C Movement in the allowance for other financial assets

	₹ in Lakhs	
	Year Ended 31 st Mar., 2023	Year Ended 31 st Mar., 2022
Balance at beginning of the year	25.77	34.83
Impairment losses recognised on receivables	36.06	-
Amounts Utilised/ Reversed	(17.78)	(9.06)
Balance at end of the year	44.05	25.77

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

15. Other assets

15A. Non Current

Particulars	₹ in Lakhs	
	As at 31 st Mar., 2023	As at 31 st Mar., 2022
a) Capital advances	221.74	33.11
b) Prepaid expenses	69.13	75.95
c) Advances for supply of goods and services	7.09	272.13
d) Balances with statutory/government authorities		
Considered good - unsecured	92.25	233.73
Credit impaired	73.31	83.31
Less: Loss allowance	73.31	83.31
	92.25	233.73
e) Advance wealth tax	49.94	49.94
Total	440.15	664.86

15B. Current

Particulars	₹ in Lakhs	
	As at 31 st Mar., 2023	As at 31 st Mar., 2022
a) Balances with statutory / government authorities	187.68	268.06
b) Advance to employees	3.29	4.22
c) Advances for supply of goods and services		
Considered good - unsecured	681.92	1,180.25
Credit impaired	34.76	190.87
Less: Loss allowance	34.76	190.87
	681.92	1,180.25
d) Contract assets	-	157.45
e) Others (refer Note 1 below)	190.53	193.60
Less: Loss allowance	14.48	-
	176.05	193.60
f) Prepaid expenses	1,432.14	1,057.86
g) Export incentives receivables	9.07	33.25
h) Right to recover returned goods (refer Note 1 below)	1.07	-
i) Advance to HDFC Life - Leave Encashment	126.90	-
Total	2,618.12	2,894.69

Notes:

- 1 A return right gives the Group a contractual right to recover the goods from a customer (return assets) if the customer exercises

his right to return the goods and the right to recover returned goods is accounted for the products that are expected to be returned.

- 2 Includes ₹ 175.20 lakhs (*Previous year ₹ 175.20 lakhs*) recoverable from one customer against bank guarantee invoked by the customer on alleged delay/non performance of service. However, the delay/nonperformance was on account of Covid-19 restriction on travel. Forbes Technosys Limited, a subsidiary of the Group, is in the process of arbitration proceedings as per legal advice.

15C Movement in the allowance for other assets

	₹ in Lakhs	
	Year Ended 31 st Mar., 2023	Year Ended 31 st Mar., 2022
Balance at beginning of the year	274.18	429.54
Impairment losses/ (reversal) recognised on other assets	(1.95)	(155.36)
Balance at end of the year	272.23	274.18

16A Asset classified as held for sale

Particulars	₹ in Lakhs	
	As at 31 st Mar., 2023	As at 31 st Mar., 2022
Freehold Land and building [refer Note (i) below]	8.11	2,315.70
Investment in associate [refer Note (ii) below]	-	2,756.09
Total	8.11	5,071.79

Note:

- (i) The Board of Directors of the Company, in their meeting held on 22nd December, 2020, approved entering into a Memorandum of Understanding ("MOU") for sale of approximately 3.804 acres of land at Chandivali with a net carrying value as on 31st March, 2022 aggregating ₹ 2,315.70 Lakhs [including ₹ 2,277.08 Lakhs paid towards seeking permission under the Urban Land (Ceiling & Regulation) Act, 1976 for the transfer/ sale/ development/ redevelopment of the land during the year ended 31st March, 2022], which has been reflected as asset held for sale, for a consideration of ₹ 20,000.00 Lakhs.

Pursuant to the Board of Directors meeting dated 24th March, 2022, the Company has entered into a new Agreement For Sale (AFS) for the aforesaid land, with Equinix India Private Limited (Equinix) for an increased consideration of ₹ 23,500.00 Lakhs. The new AFS was executed on 24th March, 2022 and the completion of the said transaction subject to fulfilment of conditions precedent is expected to be completed in Q1 of FY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

2022-2023. Further, the Company has received an advance of ₹ 4,000.00 Lakhs from Equinix during the year ended 31st March, 2022 which has been disclosed under Other Liabilities as advance from land sales. (Also refer No. 69)

- (ii) The Board of Directors of the Company at their meeting held on 30th May, 2022 has approved the sale of its entire shareholding in SPFSL, an associate as at 31st March, 2022 of the Company. Accordingly, the net carrying value of the investment of ₹ 2,756.09 Lakhs has been classified as asset held for sale as at 31st March, 2022. (Also refer No. 73)

16B Assets pertaining to discontinued operations

Further, pursuant to the binding term sheet for sale of entire shareholding in Forbes Facility Services Private Limited (FFSPL), to SILA Solutions Private Limited, the assets and liabilities of FFSPL have been disclosed as discontinued operations as at 31st March, 2021 and 31st March, 2022. (Refer Note 76)

Particulars	₹ in Lakhs	
	As at 31 st Mar., 2023	As at 31 st Mar., 2022
Property, Plant and Equipment	-	504.87
Right-of-use assets	-	81.49
Trade receivables	-	2,935.05
Other financial assets	-	217.86
Deferred tax assets (net)	-	324.33
Income tax assets (net)	-	1,034.98
Other assets	-	20.59
Inventories	-	205.93
Cash and cash equivalents	-	91.01
Bank balances other than Cash and cash equivalents	-	5.94
Total	-	5,422.05

16C Liabilities pertaining to discontinued operations

Particulars	₹ in Lakhs	
	As at 31 st Mar., 2023	As at 31 st Mar., 2022
Borrowings	-	1,286.71
Lease liability	-	103.90
Provisions	-	471.94
Other liabilities	-	353.47
Trade payables	-	1,285.30
Other financial liabilities	-	1,455.69
Total	-	4,957.01

17. Equity Share Capital

Particulars	₹ in Lakhs	
	As at 31 st Mar., 2023	As at 31 st Mar., 2022
Authorised Share capital :		
4,30,50,000 fully paid equity shares of ₹ 10 each <i>(Previous year 4,30,50,000 fully paid equity shares of ₹ 10 each)</i>	4,305.00	4,305.00
Issued, subscribed and paid-up share capital: <i>1,28,98,616 fully paid equity shares of ₹ 10 each</i> <i>(Previous year 1,28,98,616 fully paid equity shares of ₹ 10 each)</i>	1,289.86	1,289.86
	1,289.86	1,289.86

During the previous year, the Authorised Share Capital of the Company was increased from ₹ 1,50,00,000 to ₹ 4,30,50,000 pursuant to the Composite Scheme of Arrangement approved by the National Company Law Tribunal vide order dated January 25, 2022 (Refer note 66).

17.1 Fully paid equity shares

Particulars	Number of shares	Share Capital ₹ in Lakhs
Balance as at the year end	1,28,98,616	1,289.86

Rights, preferences and restrictions attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

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

Particulars	Fully paid ordinary shares	
	As at 31 st Mar., 2023	As at 31 st Mar., 2022
Shapoorji Pallonji and Company Private Limited, the holding company	93,59,293	93,59,293
Total	93,59,293	93,59,293

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

Particulars	As at 31 st Mar., 2023	
	Number of shares held	% holding in the class of shares
Fully paid equity shares		
Shapoorji Pallonji and Company Private Limited	93,59,293	72.56
India Discovery Fund Limited	11,48,255	8.90
Total	1,05,07,548	81.46

Particulars	As at 31 st Mar., 2022	
	Number of shares held	% holding in the class of shares
Fully paid equity shares		
Shapoorji Pallonji and Company Private Limited	93,59,293	72.56
India Discovery Fund Limited	11,48,255	8.90
Total	1,05,07,548	81.46

17.4 The Company has not allotted any equity shares for consideration other than cash, bonus shares, nor have any shares been bought back during the period of five years immediately preceding the Balance Sheet date

17.5 Details of shareholding of promoters

Name of Promoters	₹ in Lakhs As at 31 st Mar., 2023	
	Number of shares held	% holding in the class of shares
Fully paid equity shares		
Shapoorji Pallonji and Company Private Limited	93,59,293	72.56
Total	93,59,293	72.56
	As at 31 st Mar., 2022	
Name of Promoter	Number of shares held	% holding in the class of shares
Fully paid equity shares		
Shapoorji Pallonji and Company Private Limited	93,59,293	72.56
Total	93,59,293	72.56

There is no change in shareholding pattern of the promoters

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

18. Other equity

Particulars	₹ in Lakhs	
	As at 31 st Mar., 2023	As at 31 st Mar., 2022
a) Capital reserve		
Balance as at the year end	386.13	386.13
b) Capital contribution reserve		
Balance at end of the year	493.54	493.54
c) Securities premium reserve		
Balance at end of the year	161.76	161.76
d) General reserve		
Balance at end of the year	42,849.28	42,849.28
e) Foreign currency translation reserve		
Balance at beginning of year	2,173.41	5,293.06
Exchange differences in translating the financial statements of foreign operations	(4,820.72)	(3,119.65)
Balance as at the year end	(2,647.31)	2,173.41
f) Capital reserve for bargain purchase business combinations		
Balance at end of the year	1,221.20	1,221.43
g) Capital reserve on Merger*		
Balance at end of the year	-	-
h) Capital redemption reserve		
Balance as at the year end	25.00	25.00
i) Reserve for equity instruments through other comprehensive income		
Balance at beginning of year	9,601.42	(165.30)
Fair value gain on investments in equity instruments at FVOCI (net of tax)	1,592.61	9,766.73
Balance as at the year end	11,194.03	9,601.43
j) Retained earnings		
Balance at beginning of year	(49,534.71)	(66,519.09)
Profit/(Loss) attributable to owners of the Company	19,195.30	4,22,969.93
Other comprehensive income (net of tax)	7.36	(147.25)
Payment of dividends on equity shares	(8,275.88)	-
Tax on account of Capital reduction by subsidiary	-	(76.28)
Capital reduction by subsidiary	-	885.48
Expenses related to issue of shares by a subsidiary	-	(47.50)
Deemed Dividend (Notional) (Refer note 66)	-	(4,06,600.00)
Tax on dividends	-	-
Transfer to NCI	(35.53)	-
Balance as at the year end	(38,643.46)	(49,534.71)
k) Equity component of preference shares		
Balance at beginning of year	8.94	894.42
Less: transferred to retained earnings on capital reduction	-	(885.48)
Balance at end of the year	8.94	8.94
l) Treasury shares		
Balance as at the year end (1,66,398 equity shares of Forbes & Company Limited held by a subsidiary)	(32.55)	(32.55)
Total	15,016.56	7,353.66

* Amount is below the rounding off norm adopted by Group.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

Particulars	As at	As at	Particulars	As at	₹ in Lakhs
	31 st Mar., 2023	31 st Mar., 2022		31 st Mar., 2023	As at 31 st Mar., 2022
(ii) During the quarter ended 30th September 2022, the Parent company has paid special interim dividend of ₹ 65/- per full paid equity share of ₹ 10 each for financial year 2022-23 after completing all the necessary compliances.			b) Other provisions		
			For Warranty (Refer Note 43)	10.90	14.82
			Other provisions (Refer Note 43)	375.53	471.54
				<u>386.43</u>	<u>486.36</u>
			Total	<u>469.37</u>	<u>966.34</u>

19. Provisions

19A. Non current

Particulars	₹ in Lakhs	
	As at 31 st Mar., 2023	As at 31 st Mar., 2022
a) Employee benefits		
Compensated absences	8.49	-
Gratuity (Refer Note 44)	21.33	102.05
Other post retirement benefits (Refer Note 44)	182.58	207.29
	<u>212.40</u>	<u>309.34</u>
b) Other provisions		
For warranty (Refer Note 43)	88.91	83.11
Other Provision (Refer Note 43)	847.88	666.18
	<u>936.79</u>	<u>749.29</u>
Total	<u>1,149.19</u>	<u>1,058.63</u>

Note: Other provisions comprises provision for contingencies and other provisions which represents the present value of the Group's best estimate of the future outflow of economic benefits that will be required for certain indirect tax and legal matters. The outflow would depend on settlement/conclusion of respective matters/cessation of expected events with respective authorities. The movement of provision for contingencies is depicted under Note 43.

19B. Current

Particulars	₹ in Lakhs	
	As at 31 st Mar., 2023	As at 31 st Mar., 2022
a) Employee benefits		
Compensated absences	3.64	334.51
Gratuity (Refer Note 44)	46.29	112.16
Other post retirement benefits (Refer Note 44)	33.01	33.31
	<u>82.94</u>	<u>479.98</u>

20 Inventories are stated at the lower of cost (weighted average basis) and net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads, where applicable. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects are assigned by using specific identification of their individual costs.

Sr. no	Type	Basis of Determination
(i)	Raw and Packing Materials	At Weighted Average Cost
(ii)	Work-in-progress	Aggregate of Cost of Materials, other direct costs and absorbed production overheads (including depreciation) up to stage of completion on weighted average cost.
(iii)	Finished Goods	Aggregate of Cost of Materials, other direct costs and absorbed production overheads (including depreciation) on weighted average cost.
(iv)	Stock-in-trade (in respect of goods acquired for trading)	At Weighted Average Cost

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

21. Non-current Borrowings

Particulars	₹ in Lakhs			
	Non-current portion		Current maturities	
	As at 31 st Mar., 2023	As at 31 st Mar., 2022	As at 31 st Mar., 2023	As at 31 st Mar., 2022
A - Secured – at amortised cost				
(a) Term loans				
From banks				
i) DCB Bank Limited Term Loan - Secured by first Pari-passu charge on leasehold land and factory building together with Plant & Machinery and other support facilities situated at Waluj, MIDC, Aurangabad (Refer Note 65). [Repayable as per the repayment schedule agreed with the bank from time to time. First installment is due in 31 st October, 2020 and last installment is due in 30 th April, 2024. Rate of interest in the range of 9.70% p.a. to 10.45% p.a.]	-	1,317.91	-	1,600.00
ii) Corporate Loan from DCB Bank - Secured by 1 st Pari-passu charge on all the present and future current assets of a subsidiary along with Axis Bank Limited. (Refer Note 65). [The interest rate on the loan is in the range of 1 year MCLR + 1.07% per annum (Previous Year: 10.03% to 11.50%). Repayable in six equal quarterly instalment beginning from June 30, 2021].	-	-	-	36.94
iii) DCB Bank Limited Term Loan - under the Central Government launched Emergency Credit Line Guarantee Scheme 2.0 (ECLGS 2.0) - Secured by second charge on leasehold land and factory building together with Plant & Machinery and other support facilities situated at Waluj, MIDC, Aurangabad. (Refer Note 65). [Repayable in 48 equated monthly installments, after moratorium of 12 months. First installment is due on 4 th April, 2022 and last installment is due on 4 th March, 2026. Rate of interest is MCLR + 0.81% spread with a cap of 9.25% p.a. during entire tenure of the loan Additional borrowings of ₹ 487.60 Lakhs availed under the same scheme during the year ended 31 st March, 2022, repayable in 48 equated monthly installments, after moratorium of 24 months. First installment is due on 4 th February, 2024 and last installment is due on 4 th January, 2028. Rate of interest is EBLR + 0.81% spread with a cap of 9.25% p.a. during entire tenure of the loan]	1,012.95	1,248.76	243.25	213.84
iv) Toyota Financial Services Loan - Secured against hypothecation of Car (Refer Note 65) [Repayable as per the repayment schedule agreed with the financial institution from time to time. First installment is due in 20 th September, 2021 and last installment is due in 20 th August, 2026. Rate of interest is 8.26% p.a.]	-	25.51	-	6.23

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

Particulars	Non-current portion		Current maturities	
	As at 31 st Mar., 2023	As at 31 st Mar., 2022	As at 31 st Mar., 2023	As at 31 st Mar., 2022
v) Federal Bank Limited Term Loan - under the Central Government launched Guaranteed Emergency Credit Line Scheme 2.0 (GECL 2.0) - Secured by second charge by way of hypothecation of certain investment properties of the Company (Refer Note 65). [Repayable in 48 equated monthly installments, after a moratorium period of 12 months. First installment is due on 31 st January, 2022 and last installment is due in 2 nd February, 2026. Rate of interest is Repo rate + 5.25% spread p.a. Additional borrowings of ₹ 1,296.00 Lakhs availed under the same scheme during the year ended 31 st March, 2022, repayable in 48 equated monthly installments, after moratorium of 24 months. First installment is due on 2 nd April, 2024 and last installment is due on 29 th March, 2028. Rate of interest is Repo rate + 5.25% spread p.a.]	-	2,786.41	-	425.86
vi) Federal Bank Limited Term Loan - under the Central Government launched Guaranteed Emergency Credit Line Scheme 2.0 (GECL 2.0) - Secured by second charge by way of hypothecation of certain investment properties of the Company. (Refer Note 65) [Repayable in 48 equated monthly installments, after a moratorium period of 12 months. First installment is due on 24 th July, 2022 and last installment is due in 24 th June, 2026. Rate of interest is Repo rate + 5.25% spread p.a.]	-	127.58	-	24.42
vii) Federal Bank Limited Term Loan - under the Central Government launched Guaranteed Emergency Credit Line Scheme 2.0 (GECL 2.0) - Secured by second charge by way of hypothecation of certain investment properties of the Company. (Refer Note 65) [Repayable in 48 equated monthly installments, after a moratorium period of 12 months. First installment is due on 2 nd August, 2022 and last installment is due in 2 nd July, 2026. Rate of interest is Repo rate + 5.25% spread p.a.]	-	42.03	-	6.97
viii) DCB Bank - Working capital loan from DCB bank carries interest of 1 Year MCLR + 1.07% and is repayable in six equal quarterly instalment beginning from June 30, 2021 (Refer Note 65). Facilities from Axis Bank and DCB Bank are secured by 1 st Pari-passu charge on the current assets and all movable and immovable fixed assets (present and future) of Forbes Technosys Limited (FTL) and are backed by 1 st Pari-passu charge on property owned by Forbes & Co. Ltd situated at Wagle Estate Thane .	-	-	-	603.75
xi) Axis Bank Ltd - Working capital loan from Axis bank carries interest of 1 Year MCLR + 2.95% and is repayable in six equal quarterly instalment beginning from June 30, 2021 (Refer Note 65). Facilities from Axis Bank and DCB Bank are secured by 1 st Pari-passu charge on the current assets and all movable and immovable fixed assets (present and future) of Forbes Technosys Limited (FTL) and are backed by 1 st Pari-passu charge on property owned by Forbes & Co. Ltd situated at Wagle Estate Thane.	-	-	-	276.58
xii) Support-loans from the Swiss government (Refer Note 65).	371.10	-	-	-
	1,384.05	5,548.20	243.25	3,194.59
	1,384.05	5,548.20	243.25	3,194.59

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

Particulars	Non-current portion		Current maturities	
	As at 31 st Mar., 2023	As at 31 st Mar., 2022	As at 31 st Mar., 2023	As at 31 st Mar., 2022
B - Unsecured – at amortised cost				
(i) Yes Bank Ltd including Funded Interest Term Loan- FITL.	-	-	-	257.81
[Floating rate loans with Yes Bank Limited (including FITL term loan interest) has effective interest rate in the range of 1 year MCLR + 1.80% per annum (<i>Previous Year : 10.90% to 11.55%</i>). Repayable in six equal quarterly instalment beginning from June 30, 2021.]				
(ii) Bank Debts (Refer note (i) below)	-	9.28	-	73.39
[Multicurrency Term Facility Agreement amounting to Euro 150 Lakhs. The Loan is repayable in 7 equal instalments, first time in December 2019, and last time in December 2022. However, Group has decided to prepay this long term loan, hence the entire loan has been considered as current maturities of long-term debt] (a part of the loan is secured by pledge of shares of Lux International AG) The loan carries interest rate of 6 month Libor + 2%. (Refer note (i) below)				
(iii) Debentures				
a) Axis Bank (350 debentures of face value of ₹ 10,00,000 each)	-	-	-	1,164.89
[Debentures are Unsecured, Redeemable and Non Convertible. Date of allotment of Debentures : October 18, 2017. Revised maturity of Debentures is 6 equal quarterly instalments beginning from June 30, 2021. The debentures carry interest at 9.90% p.a payable on quarterly basis. Interest rate has been revised to 10.40% w.e.f. 18 th July, 2019.]				
(iv) Liability component of Redeemable Preference Share Capital (Refer Note 49 and 50)	4.30	4.06	-	-
(v) Loans and advances from related parties	165.31	149.12	-	-
[Unsecured short term borrowings from related parties carries interest at 10.25% and 5% p.a]				
(vi) Other Loans	331.79	299.71	-	-
Interest rate at 5% p.a.				
(vii) Support Loans from Swiss Government	-	339.11	-	-
[Long term UBS emergency credit (Corona) repayable in February 2025 with 0% interest]				
	501.40	801.28	-	1,496.09
Total (A+B)	1,885.45	6,349.48	243.25	4,690.68
Less: Amount disclosed under Current Borrowings in Note 25.	-	-	(243.25)	(4,690.68)
Total Non-current borrowings	1,885.45	6,349.48	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

22. Other financial liabilities

22A. Non Current

Particulars	₹ in Lakhs	
	As at 31 st Mar., 2023	As at 31 st Mar., 2022
a) Security deposits	254.49	139.50
b) Others: -		
- Other payables*	370.22	110.50
Total	624.71	250.00

* Other payables contains a loan from a Danish Distributor who's jointly involved in the development process of the new Aircleaner.

22B. Current

Particulars	₹ in Lakhs	
	As at 31 st Mar., 2023	As at 31 st Mar., 2022
a) Interest accrued but not due on borrowings	1,711.87	300.87
b) Unpaid dividends **	64.75	24.30
c) Others :-		
- Payables on purchase of fixed assets	16.36	479.50
- Security deposits/ Trade deposits	537.76	492.98
- Deposits and other charges payable to society	-	776.40
- Other liabilities	1,066.43	732.77
	1,620.55	2,481.65
Total	3,397.17	2,806.82

** In the previous year, the Parent Company has transferred ₹ 0.04 lakhs and ₹ 0.00 lakhs pertaining to unpaid dividend of 2012-13 and 2013-14 respectively to the Investor Education and Protection Fund (IEPF)/ custodians on June 2,2021 on settlement of outstanding matters.

23. Deferred tax

23A. Deferred tax assets

The following is the analysis of deferred tax assets presented in the balance sheet:

Particulars	₹ in Lakhs	
	As at 31 st Mar., 2023	As at 31 st Mar., 2022
Deferred tax assets (Refer Note 40)	1,854.79	3,764.72
Total	1,854.79	3,764.72

23B. Deferred tax liabilities

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

Particulars	₹ in Lakhs	
	As at 31 st Mar., 2023	As at 31 st Mar., 2022
Deferred tax liabilities (Refer Note 40)	(1,309.57)	(767.78)
Total	(1,309.57)	(767.78)

24. Other liabilities

24. Current

Particulars	₹ in Lakhs	
	As at 31 st Mar., 2023	As at 31 st Mar., 2022
a) Income received in advance	36.82	19.24
b) Advances from customers [includes ₹ 22,680.64 Lakhs (Previous Year ₹ 15,763.99 Lakhs) towards installments received from customers towards real estate development projects in progress] (Refer Note 63)	23,096.24	16,258.52
c) Statutory remittances	231.76	450.23
d) Others		
- Payable to employees	1,569.64	1,625.72
- Advance for land sale	-	4,000.00
- Other payables*	1,171.83	839.34
Total	26,106.29	23,193.05

* Other payables include dues pertaining to a settlement agreement with the Insolvency Administrator of Lux Germany after de-consolidation.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

25. Current Borrowings

Particulars	₹ in Lakhs	
	As at 31 st Mar., 2023	As at 31 st Mar., 2022
A - Current maturities of long-term borrowings	243.25	4,690.05
B - Secured - at amortised cost		
a) Loans repayable on demand		
- from banks		
Cash credit facilities/ Buyers Credit	2,626.95	4,418.39
Cash credit facilities/ buyers credit amounting to ₹ 2,521.55 Lakhs (Previous Year ₹ 1,978.12 Lakhs) in case of Foreign entities of a subsidiary, the interest rate for all bank overdrafts were between 0% and 19% p.a. (Previous Year 0% and 13% p.a.). The loan of Lux Hungary is secured by the pledge of total assets in Lux Hungary upto a maximum amount of ₹ 3,521.55 Lakhs (Previous Year ₹ 3,414.78 Lakhs).		
Cash credit facilities amounting ₹ Nil Lakhs (Previous Year ₹ 344.61 Lakhs) from Axis Bank and Development Credit Bank Limited (DCB) are secured by pari-passu hypothecation charge on all inventory and trade receivables of a subsidiary with carrying amount of ₹ Nil Lakhs (Previous Year ₹ 2,024.83 Lakhs). Interest rate on cash credit facilities from Axis Bank is 3M MCLR + 0% and from DCB is one year MCLR +0% (Previous Year Axis Bank 3M MCLR +2.95% and from DCB is one year MCLR +1.07%).		
Cash credit from consortium of banks amounting to ₹ Nil Lakhs (Previous Year ₹ 2,095.66 Lakhs) is secured against pari passu charge by way of hypothecation of all stocks including raw materials, stock-in-process, finished goods, stores and spares, goods in transit, trade receivables and other current assets, except receivables of project Vicinia of the Company (refer Note 65).		
	2,626.95	4,418.39
C - Unsecured - at amortised cost		
a) Credit card facility availed from Axis Bank (Tenure of 51 days)	-	247.59
b) Loans from related parties (refer Note 48) (refer Notes 1, 2 and 3 below)	372.17	11,426.80
	372.17	11,674.39
Total	3,242.37	20,782.83

Notes:

- Fixed rate loan with Shapoorji Pallonji Development Managers Private Limited (formerly Lucrative Properties Private Limited) is repayable on demand. The effective rate of interest is 15.00% p.a. (Previous Year 15.00% p.a).
- Fixed rate loan with Shapoorji Pallonji and Company Private Limited is repayable on demand. The effective rate of interest ranges from 11.50 % p.a. (Previous Year 11.50% p.a.). The said ICD has been converted into perpetual loan as on 1st April, 2022.
- Fixed rate loan with Shapoorji Pallonji Forbes Shipping Limited is repayable on demand. The effective rate of interest is 11.50% p.a. (Previous Year 11.50% p.a.).
- During the year, the Company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, which are in agreement with the unaudited books of account.
- Forbes Technosys Limited, a subsidiary, submits monthly stock and debtor statements at gross amount which is followed up by quarterly financials information net of provisions as appearing in books of account of subsidiary. There were no discrepancies in the financial information provided by the subsidiary to the lenders as compared with books of account of the subsidiary.
- With respect to other subsidiaries, during the year there were no working capital limits sanctioned in excess of five crore rupees, in aggregate, from various banks on the basis of security of its current assets.
The above information is disclosed to the extent applicable to the Group.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

26. Trade payables
26 Current

Particulars	₹ in Lakhs	
	As at 31 st Mar., 2023	As at 31 st Mar., 2022
Trade payables		
- Others	5,388.68	6,634.08
- Micro and small enterprises	1,771.36	1,460.27
Total	7,160.04	8,094.35

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

Particulars	₹ in Lakhs	
	As at 31 st Mar., 2023	As at 31 st Mar., 2022
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	1,169.68	1,328.28
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	289.09	20.51
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	4,866.38	2,949.79
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	59.02	32.39
Further interest remaining due and payable for earlier years	542.32	79.09

The figure of MSME creditors is updated based on the information available.

26. Trade payables

Ageing of Trade Payables for the year ended 31st March, 2023

	Unbilled	Not due	Outstanding for the following periods from the due date				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade payables							
Micro enterprises and small enterprises	-	678.53	0.46	0.02	-	-	679.01
Others	157.33	2,582.60	1,887.88	539.51	491.40	728.99	6,387.71
Disputed trade payables							
Micro enterprises and small enterprises	-	-	-	-	-	-	-
Others	-	-	-	-	80.33	12.99	93.32
Total	157.33	3,261.13	1,888.34	539.53	571.73	741.98	7,160.04

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - ContinuedAgeing of Trade Payables for the year ended 31st March, 2022

	Unbilled	Not due	Outstanding for the following periods from the due date				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade payables	-	-	-	-	-	-	-
Micro enterprises and small enterprises	0.57	525.87	98.20	78.59	90.10	573.62	1,366.95
Others	713.46	2,608.17	2,404.80	299.25	350.83	257.57	6,634.08
Disputed trade payables	-	-	-	-	-	-	-
Micro enterprises and small enterprises	-	-	-	80.33	12.99	-	93.32
Others	-	-	-	-	-	-	-
Total	714.03	3,134.04	2,503.00	458.17	453.92	831.19	8,094.35

27. Current tax assets and liabilities

Particulars	₹ in Lakhs	
	As at 31 st Mar., 2023	As at 31 st Mar., 2022
Income tax assets (net)	1,036.18	1,470.82
Tax refund receivable	1,036.18	1,470.82
Current tax liabilities (net)	217.83	173.52
Income tax payable	217.83	173.52
Net Asset	818.35	1,297.30
	₹ in Lakhs	
	Year ended 31st Mar., 2023	Year ended 31st Mar., 2022
Particulars		
Movement during the year		
Balance at the beginning of the year	1,297.30	1,774.03
Add: Taxes paid (including tax deducted at source/ self assessment tax net of refunds received)	559.06	745.57
Less: Refund received (net of taxes paid / adjusted)	(403.80)	(805.48)
Less: Impact of loss of Control over subsidiary	(28.31)	(24.39)
Less: Short provision for tax for earlier year	(71.33)	-
Less: Current tax payable for the year	(534.57)	(392.43)
Balance at the year end	818.35	1,297.30

28. Revenue from operations

The following is an analysis of the Group's revenue for the year

Particulars	₹ in Lakhs	
	Year ended 31 st Mar., 2023	Year ended 31 st Mar., 2022
a) Income from real estate contracts (refer Note 63)	238.08	1,490.58
b) Sale of products	41,256.06	42,297.07
c) Sale of services		
i) Charter hire income	-	4,442.69
ii) Annual Maintenance and support service charges	259.38	464.34
iii) Transaction charges	-	72.66
iv) Commission income	12.42	20.11
	271.80	4,999.80
d) Other operating revenues		
i) Rent and amenities	1,682.31	1,460.05
ii) Export incentives	71.54	18.89
iii) Others (mainly includes scrap sales, interest on instalments and income from renting of products)	677.98	1,206.18
	2,431.83	2,685.12
Total	44,197.77	51,472.57

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

29. Other income

Particulars	₹ in Lakhs	
	Year ended 31 st Mar., 2023	Year ended 31 st Mar., 2022
a) Interest Income		
Interest income earned on financial assets that are not designated as at fair value through profit or loss:		
(i) Bank deposits	169.46	65.12
(ii) Interest income from financial assets and others at amortised cost	3.49	3.50
(iii) Customers and others	5.80	17.25
	<u>178.75</u>	<u>85.87</u>
b) Other Non-Operating Income		
(i) Credit balances / excess provision written back	300.49	264.64
(ii) Interest on Income Tax/ Wealth Tax refund	36.72	525.78
(iii) Miscellaneous income	510.99	668.33
	<u>848.20</u>	<u>1,458.75</u>
c) Other gains and losses		
(i) Gain on disposal of property, plant and equipment	21,000.75	363.65
(ii) Gain on disposal of current investments	106.38	-
(iii) Net foreign exchange gains/ (loss)	4,679.56	1,535.55
(iv) Guarantee Commission	-	0.44
	<u>25,786.69</u>	<u>1,899.64</u>
Total	<u><u>26,813.64</u></u>	<u><u>3,444.26</u></u>

30. Real estate development costs

Particulars	₹ in Lakhs	
	Year ended 31 st Mar., 2023	Year ended 31 st Mar., 2022
Real estate development costs		
i) Material and contractual payments	2,470.30	2,168.82
ii) Fees for technical services / design and drawings	19.13	26.71
iii) Project management consultancy fees	146.81	150.12
iv) Fees-filing with statutory authorities	16.90	28.91
v) Interest on borrowings	-	52.75
vi) Operation and maintenance expenses	110.06	84.18
Total	<u>2,763.20</u>	<u>2,511.49</u>
31. A. Cost of materials consumed (raw and packing materials)		
		₹ in Lakhs
	Year ended 31 st Mar., 2023	Year ended 31 st Mar., 2022
Particulars		
Opening Stock of of raw materials including packing materials	1,893.95	1,503.81
Purchases	8,137.70	8,448.33
	<u>10,031.65</u>	<u>9,952.14</u>
Less: Closing stock of raw materials including packing materials	719.71	1,893.95
	<u>9,311.94</u>	<u>8,058.19</u>
Less: Disclosed as an exceptional item		
Write down of Inventory to net realisable value (refer note 54)	-	325.74
	<u>9,311.94</u>	<u>8,383.93</u>

Consumption is arrived at on the basis of opening stock plus purchases less closing stock and includes the adjustments of excess and shortage as ascertained on physical count.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued**B. Changes in inventories of finished goods, work-in-progress and stock-in-trade.**

Particulars	₹ in Lakhs	
	Year ended 31 st Mar., 2023	Year ended 31 st Mar., 2022
a) Inventories at the end of the year:		
i) Finished goods	1,341.73	1,388.57
ii) Work-in-progress	1,028.68	817.19
iii) Stock-in-trade	3,325.77	3,942.39
iv) Real estate development work-in-progress	14,605.56	11,973.79
	<u>20,301.74</u>	<u>18,121.94</u>
b) Inventories at the beginning of the year:		
i) Finished goods	1,388.57	1,163.54
ii) Work-in-progress	817.19	590.45
iii) Stock-in-trade	3,942.39	4,608.29
iv) Real estate development work-in-progress	11,973.79	10,504.58
	<u>18,121.94</u>	<u>16,866.86</u>
c) Less: Disclosed as an exceptional item		
Write down of Inventory to net realisable value (refer note 54)	96.97	832.10
d) Effect of Foreign Currency translation	(131.03)	(221.15)
Net increase (b-a-c-d)	<u>(2,145.74)</u>	<u>(1,866.03)</u>

32. Employee benefits expense

Particulars	₹ in Lakhs	
	Year ended 31 st Mar., 2023	Year ended 31 st Mar., 2022
i) Salaries and wages	13,679.11	16,586.00
ii) Contribution to provident and other funds	324.30	337.66
iii) Staff welfare expenses	293.09	366.50
Total	<u>14,296.50</u>	<u>17,290.16</u>

33. Finance costs

Particulars	₹ in Lakhs	
	Year ended 31 st Mar., 2023	Year ended 31 st Mar., 2022
(a) Interest Cost		
(i) Interest on borrowings	1,128.73	3,413.60
(ii) Interest expense on lease liabilities	112.60	64.16
(iii) Interest Expense on delayed payment of taxes	0.38	0.35
(iv) Other interest expense	380.45	125.45
(v) Interest on preference shares classified as borrowings	4.05	403.63
(b) Exchange differences regarded as an adjustment to borrowing costs	-	160.81
(c) Other borrowing costs	133.29	30.16
Total	<u>1,759.50</u>	<u>4,198.16</u>

34. Depreciation, amortisation and impairment expense

Particulars	₹ in Lakhs	
	Year ended 31 st Mar., 2023	Year ended 31 st Mar., 2022
i) Depreciation of property, plant and equipment (refer Note 4)	1,316.34	2,557.60
ii) Depreciation of Right of use assets (refer Note 5)	510.63	541.66
iii) Depreciation of investment properties (refer Note 6)	61.51	63.25
iv) Amortisation of intangible assets (refer Note 8)	831.47	981.12
Total	<u>2,719.95</u>	<u>4,143.63</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

35. Other expenses

Particulars	₹ in Lakhs	
	Year ended 31 st Mar., 2023	Year ended 31 st Mar., 2022
Consumption of stores and spare parts	671.33	945.30
Processing charges (including contract labour charges)	1,411.57	1,331.65
Power and fuel	533.11	728.15
Operating costs for shipping business		
a) Crew and other related expenses	-	120.82
b) Others	-	96.27
Rent and hire charges (Refer Note 64)	705.94	167.13
Repairs to :		-
a) Buildings	284.29	634.21
b) Plant and machinery	411.95	483.64
c) Others	608.30	626.33
	1,304.54	1,744.18
Insurance	130.37	182.34
Rates and taxes	165.51	174.99
Selling expenses, sales promotion, commission and brokerage	1,481.66	1,558.25
Printing and stationery	33.54	34.44
Communication	123.57	136.43
Advertisement	430.17	133.64
Legal and professional charges	1,044.00	1,281.94
Travelling and conveyance	328.22	189.21
Trade receivables / advances written off	360.44	520.81
Less: Provision held	29.42	240.35
	331.02	280.46
Provision for doubtful trade receivables, loans and advances (net)	1,335.53	678.09
Managed assets service provider's charges	42.06	28.24
Service Charges	761.20	893.70
Freight and outward charges	359.35	334.65
Customer penalty and damages	-	82.70
Logistics charges	214.37	226.44
Corporate social responsibility expenditure (refer Note 1 below)	71.85	25.00
Other establishment and miscellaneous expenses	3,793.71	1,315.52
Auditor remuneration		
To statutory auditors		
i) For audit services	107.76	213.02
ii) For taxation matters	(0.23)	0.33
iii) For other services	0.56	-
iii) For reimbursement of expenses	6.25	3.55
	114.34	216.90
To cost auditors	3.51	4.00
Total	15,390.47	12,910.44

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

1. Details of Corporate social responsibility expenditure:

As per Section 135 of the Act, a Company meeting the applicability threshold, needs to spend atleast 2% of its average net profit for the immediately preceding three financial years on CSR activities. CSR committee has been formed as per the Act

Particulars	₹ in Lakhs	
	Year ended 31 st Mar., 2023	Year ended 31 st Mar., 2022
Amount required to be spent as per section 135 of the Act.	28.05	24.94
Amount spent/commitments during the year:		
i) Construction/acquisition of an asset	18.71	-
ii) Purpose other than (i) above	-	-
	<u>18.71</u>	<u>-</u>
Agreements entered for construction / acquisition of assets	-	-
Contribution for activities promoting educational facilities	18.71	-
Accrual towards unspent obligations in relation to ongoing projects	9.34	24.94

Year	Balance as at 1st April, 2022		Amount required to be spent during the year	Amount Spent during the year		Balance as at 31st March, 2023	
	With the Company	In Separate CSR unspent account		From the Company's Bank Account	From Separate CSR unspent account	With the Company	In Separate CSR unspent account
2023	-	18.01	28.05	18.71	18.01	-	* 9.34
2022	-	18.01	24.94	-	18.01	24.94	-

*₹ 9.34 Lakhs has been transferred to a separate CSR unspent account on 28th April, 2023.

36. Exceptional items

Particulars	₹ in Lakhs	
	Year ended 31 st Mar., 2023	Year ended 31 st Mar., 2022
a) Expected inflow/ (outflow) for disputed matter (refer note 53)	-	(230.19)
b) Provision for impairment of certain intangible assets and intangible assets under development - continuing operations (refer note 8)	(500.00)	(161.49)
c) Provision for slow-moving, damaged or obsolete inventories (refer note 54)	(96.97)	(1,157.84)
d) Loss on sale of shipping vessels (refer note 74)	-	(663.90)
e) Gain on Capital reduction by subsidiary (refer note 50.1)	-	792.71
f) Gain on Capital reduction by subsidiary (refer note 50.2) FTL	-	379.97
g) Gain on Loss of Control (refer note 67)	2,987.04	166.67
h) Impairment on Goodwill/Investments in Joint Venture (refer Note 7 and 55)	-	(29,347.81)
i) Loss on cessation of Joint Venture (refer Note 55 and 73)	98.72	(4,419.51)
j) Provision for sales tax (refer Note 78)	(371.78)	-
k) Loss on sale of investments (refer Note 79)	(896.92)	-
l) Provision for Loan to FCHSPL inclusive of interest thereon	(18.19)	-
Total	<u>1,201.90</u>	<u>(34,641.39)</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

37. Income taxes

Particulars	₹ in Lakhs	
	Year ended 31 st Mar., 2023	Year ended 31 st Mar., 2022
37.1 Income tax recognised in Statement of Profit and Loss		
In respect of the current year	534.57	392.43
In respect of prior years	71.33	-
Tax Expense - Continuing Operations		
Current tax	605.90	392.43
Deferred tax	2,173.30	(1,420.54)
Tax Expense - Discontinued Operations		
Current tax	-	2,048.53
Deferred tax	20.01	30.05
Total income tax expense recognised in the current year	2,799.21	1,050.47

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

Profit/ (Loss) before tax from continuing operations	21,911.82	(33,390.49)
Profit/ (Loss) before tax from discontinued operations	69.45	4,57,305.48
Profit/ (Loss) before tax for the year	21,981.27	4,23,914.99
Income tax expense calculated at corporate tax rate at 25.17 % (Previous Year: 25.17 %)	5,532.69	1,06,699.40
Effect of amounts which are exempt in calculating taxable income	-	(1,13,708.94)
Effect of recognition of tax effect of previously unrecognised tax losses	(3,815.34)	-
Effect of amounts that are not deductible (taxable) in determining taxable profit	(9,754.85)	7,360.13
Effect of tax incentives and concessions	(26.14)	(51.51)
Tax not payable for loss making subsidiaries	9,182.30	3,298.13
Effect of different tax rates in companies	2,704.84	(205.59)
Effects of entities consolidated using equity method	(74.30)	(303.16)

Particulars	Year ended 31 st Mar., 2023	Year ended 31 st Mar., 2022
Adjustments in respect of current income tax of previous year	71.33	-
MAT credit written off		-
Exclusion of Long term Capital Loss on Capital Reduction	(1,047.82)	(1,393.05)
Effects of Ind AS adjustments	(5.48)	
Others	31.98	(644.94)
Income tax expense recognised in Statement of Profit and Loss	2,799.21	1,050.47

Particulars	₹ in Lakhs	
	Year ended 31 st Mar., 2023	Year ended 31 st Mar., 2022
37.2 Income tax recognised in other comprehensive income		
Re-measurement of defined benefit plans	(172.90)	59.22
Total income tax expense recognised in other comprehensive income	(172.90)	59.22

38. Earnings per share

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

Particulars	₹ in Lakhs	
	Year ended 31 st Mar., 2023	Year ended 31 st Mar., 2022
Profit/(Loss) for the year from continuing operations (A) (₹ in Lakhs)	19,145.86	(32,256.97)
Weighted average number of equity shares (Net of 1,66,398 equity shares held by a subsidiary) (Quantity in Lakhs)	127.32	127.32
Basic/ Diluted Earnings/ (Loss) per share (A/B) (₹)	150.38	(253.34)
Profit/(Loss) for the year from discontinued operations (A) (₹ in Lakhs)	49.44	4,55,226.90

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

Particulars	Year ended 31 st Mar., 2023	Year ended 31 st Mar., 2022
Weighted average number of equity shares (Net of 1,66,398 equity shares held by a subsidiary) (Quantity in Lakhs) (B)	127.32	127.32
Basic/ Diluted Earnings/ (Loss) per share (A/B) (₹)	0.39	3,575.39
Profit/(Loss) for the year attributable to owners of the Group (A) (₹ in Lakhs)	19,195.30	4,22,969.93
Weighted average number of equity shares (Net of 1,66,398 equity shares held by a subsidiary) (Quantity in Lakhs) (B)	127.32	127.32
Basic/ Diluted earnings/ (Loss) per share attributable to owners of the Group (A/B) (₹)	150.77	3,322.05

39 Contingent liabilities:

	₹ in Lakhs	
	As at 31 st Mar., 2023	As at 31 st Mar., 2022
(a) Claims against the Group not acknowledged as debts		
1 Taxes in dispute:-		
(i) Excise demand	2,724.52	2,724.52
(ii) Sales tax and Goods and Service Tax	410.22	2,882.28
(iii) Income-tax	4,650.59	4,789.78
(iv) Service-tax	3,424.49	3,599.29
(v) Customs duty	187.84	101.00
2 Labour matters in dispute	-	11.07
3 Customer claims	3,070.31	3,219.39
4 Other legal matters	293.86	449.37

* In calculating the tax expense for the current year, certain subsidiaries in the Group have considered taxability of

certain income and allowability of certain expenditure for tax purpose based on the orders/judgments passed in further appeals in its own assessment of earlier years. Based on the same, no additional provision is envisaged necessary as on 31st March 2023 in respect of earlier years and current year.

- (b) Share in contingent liability of Joint Ventures and associates:
The Contingent Liabilities as on 31st March, 2023 is ₹ 33.65 Lakhs (*Previous Year ₹ 87.16 Lakhs*).
Corporate Guarantees issued as on 31st March, 2023 is ₹ 1,739.50 Lakhs (*Previous Year ₹ 1,739.50 Lakhs*).

Notes:

- In respect of items mentioned above, till the matters are finally decided, the timing of outflow of economic benefits cannot be ascertained.
- In respect of a subsidiary, Forbes Facility Services Pvt. Ltd., Statutory Liabilities include an amount of ₹ Nil (*Previous Year ₹ 34.27 Lakhs*) towards employee provident fund which is unpaid as on the Balance sheet date, since the Universal Account Number (UAN) of certain employees could not be generated due to inconsistencies in the personal identity documents of those employees. Subsequently those employees have resigned from the subsidiary. The subsidiary has approached the Provident fund authorities for resolving this technical matter and are in the process of discharging the liability.
- The Group has evaluated the impact of the recent Supreme Court Judgment in case of "Vivekananda Vidyamandir and Others v/s The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-I/1(33)2019/Vivekananda Vidya Mandir/284) dated 20th March, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. In the assessment of the management which is supported by legal advice, the aforesaid matter is not likely to have a significant impact and accordingly, no provision has been made in these Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

40A. Deferred tax Assets

The following is the movement of deferred tax assets presented in the Balance Sheet:

Current Year (2022-23)

₹ in Lakhs

Particulars	Opening balance	Recognised in Statement of Profit and Loss	Foreign Exchange Adjustment	Business Combination **	Recognised in Other Comprehensive Income	Closing balance
Deferred tax (liabilities)/assets in relation to:						
a) Property, plant and equipment	(618.61)	(11.72)	-	-	-	(630.33)
b) Right of Use Assets	(10.53)	(123.16)	-	-	-	(133.69)
c) Lease Liability	6.42	129.20	-	-	-	135.62
d) Allowance for Doubtful debts and advances	239.56	35.04	-	-	-	274.60
e) Provisions and liabilities to be allowed on payment basis	122.17	(20.28)	-	-	(1.19)	100.70
f) Voluntary retirement scheme	-	-	-	-	-	-
f) MAT Credit *	-	-	-	-	-	-
g) Profits from Real Estate Business	918.91	169.59	-	-	-	1,088.50
h) Tax losses	2,490.13	(720.68)	-	-	(171.70)	1,597.75
j) Long Term Capital Loss	-	-	-	-	-	-
i) Others	616.67	(1,186.91)	(8.12)	-	-	(578.36)
Total	3,764.72	(1,728.92)	(8.12)	-	(172.89)	1,854.79

Previous Year (2021-22)

₹ in Lakhs

Particulars	Opening balance	Recognised in Statement of Profit and Loss	Foreign Exchange Adjustment	Business Combination **	Recognised in Other Comprehensive Income	Closing balance
Deferred tax (liabilities)/assets in relation to:						
a) Property, plant and equipment	(650.79)	32.18	-	-	-	(618.61)
b) Right of Use Assets	(53.69)	43.16	-	-	-	(10.53)
c) Lease Liability	53.52	(47.10)	-	-	-	6.42
d) Allowance for Doubtful debts and advances	329.48	(89.92)	-	-	-	239.56
e) Provisions and liabilities to be allowed on payment basis	136.48	(14.31)	-	-	-	122.17
f) Voluntary retirement scheme	-	-	-	-	-	-
g) MAT Credit *	0.13	(0.13)	-	-	-	-
h) Profits from Real Estate Business	822.18	96.73	-	-	-	918.91
i) Tax losses	1,451.71	1,038.42	-	-	-	2,490.13
j) Others	277.51	420.52	(81.36)	-	-	616.67
k) Total	2,366.53	1,479.55	(81.36)	-	-	3,764.72

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

40B. Deferred tax Liabilities

The following is the movement of deferred tax liabilities presented in the Balance Sheet:

Current Year (2022-23)

₹ in Lakhs

Particulars	Opening balance	Recognised in Statement of Profit and Loss	Foreign Exchange Adjustment	Business Combination **	Recognised in Other Comprehensive Income	Closing balance
Deferred tax liabilities in relation to:						
a) Property, plant and equipment	(0.01)	-	-		-	(0.01)
b) Others (includes tax losses)	(767.77)	422.85	(964.64)		-	(1,309.56)
Total	(767.78)	422.85	(964.64)	-	-	(1,309.57)

Previous Year (2021-22)

₹ in Lakhs

Particulars	Opening balance	Recognised in Statement of Profit and Loss	Foreign Exchange Adjustment	Business Combination **	Recognised in Other Comprehensive Income	Closing balance
Deferred tax liabilities in relation to:						
a) Property, plant and equipment	(0.01)	-	-		-	(0.01)
b) Others (includes tax losses)	(718.05)	(59.01)	9.29		-	(767.77)
Total	(718.06)	(59.01)	9.29	-	-	(767.78)

40C. Unrecognised deductible temporary differences, unused tax losses and unused tax credits

- In respect of Lux Group, deferred tax assets amounting to ₹ 1,131.02 Lakhs (*Previous Year ₹ 2,028.73 Lakhs*) from tax losses carried forward are not capitalised as their recoverability is uncertain.
- In respect of EFL Mauritius Limited, at 31st March 2023, the Company had accumulated tax losses amounting to ₹ 67.18 Lakhs (*Previous Year ₹ 60.74 Lakhs*) and is therefore not liable to income tax. The accumulated tax losses are available for net off against taxable income arising in the forthcoming five years only.
- In respect of Forbes Lux International AG, at 31st December 2022, the entity had accumulated tax losses amounting to ₹ 1,10,414.03 Lakhs (*Previous Year ₹ 62,770.78 Lakhs*) and is therefore not liable to income tax. The accumulated tax losses are available for net off against taxable income arising in the forthcoming seven years only.
- In respect of Forbes Technosys Limited, the entity has unabsorbed depreciation amounting to ₹ 1,516.55 Lakhs (*Previous year 8,011.45 Lakhs*) and has accumulated tax losses amounting to ₹ 14,159.87 Lakhs (*Previous year ₹ 13,034.15 Lakhs*) is therefore not liable to income tax. The accumulated tax losses are available for net off against taxable income arising in the forthcoming five years amounting to ₹ 3,220.85 Lakhs (*Previous Year ₹ 3,220.85 Lakhs*) and within next five years to ten years amounting to ₹ 10,939.02 Lakhs (*Previous Year ₹ 9,813.30 Lakhs*).
- In respect of Forbes Campbell Finance Limited, the entity has unabsorbed depreciation amounting to ₹ Nil (*Previous year ₹ 19.08 Lakhs*) and has accumulated tax losses amounting to ₹ 2,000.91 Lakhs (*Previous year ₹ 2,328.19 Lakhs*) is therefore liable to tax of ₹ 6.46 Lakhs (*Previous year Nil*). The accumulated tax losses are available for net off against taxable income arising in the forthcoming five years only.
- In respect of Forbes Technosys Limited (FTL), the entity has restricted the recognition of deferred tax assets on account of unabsorbed depreciation and brought forward business loss and certain other assets to set off the deferred tax liabilities on account of temporary difference arising on property, plant and equipment and intangible assets. FTL did not have any deferred tax liability as on March 31, 2023, accordingly, FTL has not recognised any deferred tax assets. Unabsorbed depreciation and forward business losses on which deferred tax assets has not been recognised (in the absence of virtual certainty of taxable income) were ₹ 15,676.42 Lakhs as on March 31, 2023 (*Previous Year: ₹ 20,697.72 Lakhs*)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

40D. Certain subsidiaries, associates and joint ventures of the group (excluding those covered under discontinued operations) have undistributed earnings as at 31st March, 2023 of ₹ 2,070.97 Lakhs (*Previous Year ₹ 1,854.74 Lakhs*) which, if paid out as dividends or Group's interests in them if sold outright, would be subject to tax in the hands of the recipient. An assessable temporary difference exists, but no deferred tax liability has been recognised as the parent entity is able to control the timing of distributions from these subsidiaries, associates and joint ventures. These entities are not expected to distribute dividends out of their reserves in the foreseeable future. Certain subsidiaries, joint ventures and associates of the group are currently in accumulated deficit, the set-off of those temporary differences is not available against temporary differences of other entities in the group. Also, certain entities who have suffered losses during the year ended 31st March 2023 which would have restrictions for dividend distribution have been excluded from the aforesaid undistributed earnings calculation.

41. Leases

(a) Operating lease: Group as lessor

The Group has entered into operating lease arrangements, consisting of surplus space in buildings to others. The normal

tenure of the arrangement is upto five years. The group has also deployed certain Data processing equipments (Queue Management Kiosks (QMS), Pass Book Kiosks (PBK) and (TS Scanners) at various sites under cancellable operating lease. The rental income from the assets given on lease of ₹ 1,682.31 Lakhs (*Previous Year ₹ 1,460.05 Lakhs*) has been disclosed as "Rent and amenities" under Revenue from operations in Note 28.

a) The company is in the business of giving products on operating lease and the details are as under:

Particulars	As at 31 st Mar., 2023	As at 31 st Mar., 2022
	₹ in Lakhs	₹ in Lakhs
Gross carrying amount of products given on operating lease	-	-
Accumulated depreciation	-	-
Depreciation for the period/year	-	0.52
Total	-	0.52

b) The company has given certain office /factory premises & moulds on operating lease basis. Details of which are as follows:

Particulars	Building		Plant and Machinery (Moulds)	
	As at 31 st Mar., 2023	As at 31 st Mar., 2022	As at 31 st Mar., 2023	As at 31 st Mar., 2022
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Gross amount	-	367.22	-	35.66
Accumulated depreciation	-	138.85	-	28.10
Depreciation	-	10.82	-	1.42
Total	-	516.89	-	65.18

c) The company has given commercial premises under cancellable operating lease. Lease rental income included in the statement of profit and loss for the period is ₹ Nil lakhs (*Previous year ₹ 67.42 lakhs*) for premises.

Non-cancellable operating lease receivables

Period	As at 31 st Mar., 2023	As at 31 st Mar., 2022
	₹ in Lakhs	₹ in Lakhs
Not later than 1 year	472.77	616.23
Later than 1 year and not later than 5 years	474.25	323.47
Total	947.02	939.70

Also refer note 64.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued**42 Other Commitments**

- (a) Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 317.59 Lakhs (*Previous Year ₹ 147.60 Lakhs*) (net of advances).
- (b) The group has issued performance guarantee of ₹ 4,568.26 Lakhs (*Previous Year ₹ 4,989.75 Lakhs*).
- (c) The group has outstanding bank guarantees of ₹ 156.36 Lakhs (*Previous Year ₹ 167.93 Lakhs*).

43 Details of Provisions

The Group has made provisions for various contractual obligations and disputed liabilities based on its assessment of the amount it estimates to incur to meet such obligations, details of which are given below:

Particulars	₹ in Lakhs				
	<i>As at 31st Mar., 2022</i>	Additions	Provision used	Provision reversed	As at 31st Mar., 2023
Provision for warranty (refer Note 1 below)	97.93	78.83	(48.71)	(28.24)	99.81
	<i>110.61</i>	<i>* 77.12</i>	<i>(53.33)</i>	<i>(36.47)</i>	<i>97.93</i>
Other Provision (refer Note 2 below)	1,137.72	540.05	(202.82)	(251.54)	1,223.41
	<i>1,067.54</i>	<i>580.42</i>	<i>(501.50)</i>	<i>(8.74)</i>	<i>1,137.72</i>
Total	1,235.65	618.88	(251.53)	(279.78)	1,323.22
<i>Previous Year</i>	<i>1,178.15</i>	<i>657.54</i>	<i>(554.83)</i>	<i>(45.21)</i>	<i>1,235.65</i>

* Included in Service Charges under Other expenses

Note:

- The Group gives warranty on certain products, undertaking to repair or replace the items that fail to perform satisfactorily during the warranty period. Warranty provisions are made for expected future outflows where no reimbursements are expected and estimated based on using historical information on the nature, frequency and average cost of warranty claims.
- Other provisions include provision for contingencies as disclosed above which represent the Group's best estimate of the future outflow of economic benefits that will be required for certain indirect tax and legal matters. The outflow would depend on settlement / conclusion of respective matters / cessation of expected events with respective authorities.

Figures in italics relate to the previous year.

44. Employee Benefits :**Brief description of the Plans:**

The Group has various schemes for long term benefits such as Provident Fund (in case of certain employees), Gratuity, Superannuation, Employees State Insurance Fund (ESIC), Employees Pension Scheme, Compensated Absences, Pension and Long Term Service Award and Post Retirement Medical and Non Compete Fees. The Group's defined contribution plans are Provident Fund (in case of certain employees), Superannuation,

Employees State Insurance Fund and Employees' Pension Scheme (under the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952). The Group has no further obligation beyond making the contributions to such plans. The Group's defined benefit plans include Provident fund (in case of certain employees), Gratuity, Post retirement medical and Non Compete fees.

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

The Group operates a defined benefit gratuity plan for employees of certain subsidiaries. The gratuity liability is funded and in some cases, it is unfunded. The Group's liability is determined on the basis of an actuarial valuation. Remeasurements of the net defined benefit liability as per the actuarial valuation report, which comprise actuarial gains and losses are recognised in OCI.

In case of Forbes & Company Limited, the group has obtained insurance policy with the Life Insurance Corporation of India (LIC) and makes an annual contribution to LIC for amounts notified by LIC. The group accounts for gratuity benefits payable in future based on the calculation performed annually

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

by a qualified actuary using the projected unit credit method at the end of the year. Actuarial Gains and Losses are recognized in OCI.

The Group's Gratuity Plan is administered by an insurer and in certain cases the Investments are made in various schemes of the trust. The Group funds the plan on a periodical basis.

The eligible employees of the Group are entitled to receive post-employment benefits in respect of provident fund, in which both the employees and the Group make monthly contributions at a specified percentage of the employees' eligible salary. The contributions are made to the Government / provident fund managed by the trust set up by the Group which are charged to the Statement of Profit and Loss as incurred.

A large portion of assets managed by the group consists of government and corporate bonds, although the Group also invests in equities, cash and mutual funds. The plan asset mix is in compliance with the requirements of the regulations in case of Provident fund.

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

Under the post-retirement medical and non-compete fees, eligible whole-time directors and on their demise, their spouses are entitled to medical benefits subject to certain limits and fixed monthly payment as non-compete fee. The Group accounts

Longevity risk

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

Salary risk

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

for these benefits payable in future based on an independent external actuarial valuation carried out at the end of the year using the Projected Unit Credit method.

These plans typically expose the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. Plan investment is a mix of investments in government securities, and other debt instruments. For other defined benefit plans, the discount rate is determined by reference to market yields at the end of the reporting period on high quality corporate bonds when there is a deep market for such bonds; if the return on plan asset is below this rate, it will create a plan deficit. Currently the plan has a relatively balanced investment in Government Securities, Special deposit Scheme, Debt instrument and Corporate bonds. Due to the long-term nature of the plan liabilities, the board of the Eureka Forbes Limited Employees Gratuity Fund considers it appropriate that a reasonable portion of the plan assets should be invested in equity securities and in real estate to leverage the return generated by the Fund.

Interest risk

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's investments.

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

₹ in Lakhs

Particulars	Year Ended 31 st Mar., 2023	Year Ended 31 st Mar., 2022
Employer's contribution to Provident Fund (excluding contribution to trust)	70.96	107.48
Employer's contribution to Pension Fund	5.62	9.49
Employer's contribution to Superannuation Fund	47.69	52.19
Employer's contribution to ESIC and other funds	43.08	38.19

Included in Contribution to Provident and Other Funds (refer Note 32)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - ContinuedII. Disclosures for defined benefit plans based on actuarial valuation reports as on 31st March, 2023.

A. Change in Defined Benefit Obligation

₹ in Lakhs

Particulars	Gratuity (funded)		Gratuity (non-funded)		Others (Post Retirement medical and non compete fees) (non funded)	
	Year Ended		Year Ended		Year Ended	
	31 st Mar., 2023	31 st Mar., 2022	31 st Mar., 2023	31 st Mar., 2022	31 st Mar., 2023	31 st Mar., 2022
Present Value of Defined Benefit Obligation as at beginning of the year	745.15	740.66	48.87	95.39	240.60	301.70
Interest Cost	49.70	45.00	2.98	5.32	16.54	19.02
Current Service Cost	42.56	18.63	3.03	7.53	-	-
Benefits Paid	(132.20)	(81.77)	(16.75)	(54.58)	(31.15)	(38.44)
Remeasurement of defined benefit obligation	41.25	22.63	(1.62)	(4.79)	(10.40)	(41.68)
Gratuity Liability of resigned employees transferred to trade payables	-	-	(9.34)	-	-	-
Present Value of Defined Benefit Obligation as at the end of the year	746.46	745.15	27.17	48.87	215.59	240.60

B. Changes in the Fair Value of Assets

₹ in Lakhs

Particulars	Gratuity (Funded)	
	Year Ended	
	31 st Mar., 2023	31 st Mar., 2022
Fair Value of Plan Assets as at beginning of the year	579.81	580.69
Return on Plan Assets (excluding interest income/ expense)	16.55	2.54
Interest income	38.85	36.35
Contributions from employer	203.00	42.00
Benefits Paid	(132.20)	(81.77)
Fair Value of Plan Assets as at the end of the year	706.01	579.81

C. Amount recognised in the Balance Sheet

₹ in Lakhs

Particulars	Gratuity (Funded)		Gratuity (Non-Funded)		Others (Post Retirement medical and non compete fees) (Non funded)	
	Year Ended		Year Ended		Year Ended	
	31 st Mar., 2023	31 st Mar., 2022	31 st Mar., 2023	31 st Mar., 2022	31 st Mar., 2023	31 st Mar., 2022
Present Value of Defined Benefit Obligation as at the end of the year	746.46	745.15	27.17	48.87	215.59	240.60
Fair Value of Plan Assets as at end of the year	706.01	579.81	-	-	-	-
Net Liability recognised in the Balance Sheet	40.45	165.34	27.17	48.87	215.59	240.60

Total Liability	67.62	214.21	215.59	240.60
Non-Current (Refer note 19A)	21.33	102.05	182.58	207.29
Current (Refer note 19B)	46.29	112.16	33.01	33.31

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

D. Expenses recognised in Statement of Profit and Loss

₹ in Lakhs

Particulars	Gratuity (Funded)		Gratuity (Non-Funded)		Others (Post Retirement medical and non compete fees) (Non funded)	
	Year Ended		Year Ended		Year Ended	
	31 st Mar., 2023	31 st Mar., 2022	31 st Mar., 2023	31 st Mar., 2022	31 st Mar., 2023	31 st Mar., 2022
Current Service Cost	42.56	18.63	3.03	7.53	-	-
Net interest	10.85	8.65	2.98	5.32	16.54	19.02
Total Expenses / (Income) recognised in the Statement of Profit And Loss*	53.41	27.28	6.01	12.85	16.54	19.02

*Included in Salaries and Wages and Contribution to Provident and Other Funds (refer Note 32).

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

₹ in Lakhs

Particulars	Gratuity (Funded)		Gratuity (Non-Funded)		Others (Post Retirement medical and non compete fees) (Non funded)	
	31 st Mar., 2023	31 st Mar., 2022	31 st Mar., 2023	31 st Mar., 2022	31 st Mar., 2023	31 st Mar., 2022
Actuarial (Gains)/Losses on Obligation For the Year - Due to changes in demographic assumptions	7.39	(0.18)	-	-	(9.89)	-
Actuarial (Gains)/Losses on Obligation For the Year - Due to changes in financial assumptions	(12.40)	(11.53)	(0.98)	(0.79)	(5.59)	(4.04)
Actuarial (Gains)/Losses on Obligation For the Year - Due to experience adjustment	46.26	34.34	(0.64)	(4.00)	5.08	(37.63)
Return on Plan Assets, excluding Interest Income	(16.55)	(2.54)	-	-	-	-
Net (Income)/Expense For the Year Recognized in OCI	24.70	20.09	(1.62)	(4.79)	(10.40)	(41.67)

Other Comprehensive Income pertaining to discontinued operations in previous year is ₹ 180.20 Lakhs

F. Principal actuarial assumptions used:

Particulars	Gratuity		Others (Post Retirement medical and non compete fees)	
	As at		As at	
	31 st Mar., 2023	31 st Mar., 2022	31 st Mar., 2023	31 st Mar., 2022
Discount Rate (per annum)	7.31%	6.09% - 6.70%	7.49% & 7.46%	7.33% & 6.84%
Salary escalation rate	4.50%-5.00%	4.50% - 5.00%	0.00%	0.00%
Rate of employee turnover	17.24%	11.89% - 20.00%	20.87%	0.00%
Mortality Rate #	Indian Assured lives Mortality (2006-08)	<i>Indian Assured lives Mortality (2006-08)</i>		

In case of Forbes Technosys Limited, a subsidiary, it is assumed that the active members of the scheme will experience in-service mortality in accordance with the Indian Assured lived mortality (2012-14) Urban.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

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

₹ in Lakhs

Particulars	Gratuity (Funded)		Gratuity (Unfunded)		Others (Post Retirement medical and non compete fees) (Non funded)	
	As at 31 st Mar., 2023	As at 31 st Mar., 2022	As at 31 st Mar., 2023	As at 31 st Mar., 2022	As at 31 st Mar., 2023	As at 31 st Mar., 2022
Opening Net Liability	165.33	159.96	48.87	95.39	240.61	301.70
Expenses Recognized in Statement of Profit or Loss	53.41	27.28	6.01	12.85	16.54	19.02
Expenses Recognized in OCI	24.70	20.09	(1.62)	(4.79)	(10.40)	(41.67)
(Benefit Paid Directly by the Employer)	-	-	(16.75)	(54.58)	(31.15)	(38.44)
(Employer's Contribution)	(203.00)	(42.00)	-	-	-	-
Net Liability/(Asset) Recognized in the Balance Sheet	40.44	165.33	36.51	48.87	215.60	240.61

H. Category of Assets

₹ in Lakhs

Particulars	As at 31 st Mar., 2023	As at 31 st Mar., 2022
	Gratuity (Funded)	Gratuity (Funded)
Insurance fund	706.01	579.82
Total	706.01	579.82

I. Cash Flow Projection: From the Fund

₹ in Lakhs

Projected Benefits Payable in Future Years From the Date of Reporting	Estimated for the year ended 31 st Mar., 2023	Estimated for the year ended 31 st Mar., 2022	Estimated for the year ended 31 st Mar., 2023	Estimated for the year ended 31 st Mar., 2022
	Gratuity		Others (Post Retirement medical and non compete fees) (Non funded)	
1 st Following Year	213.31	140.43	33.01	33.31
2 nd Following Year	138.21	122.16	33.01	33.31
3 rd Following Year	118.68	144.45	33.01	33.31
4 th Following Year	132.87	90.86	33.01	33.31
5 th Following Year	74.56	92.60	33.01	33.31
Sum of Years 6 and above	242.18	393.33	165.07	166.57

J. Sensitivity Analysis

₹ in Lakhs

Projected Benefits Payable in Future Years From the Date of Reporting	As at 31 st Mar., 2023	As at 31 st Mar., 2022
Impact of +1% Change in Rate of Discounting	(18.27)	(26.12)
Impact of -1% Change in Rate of Discounting	19.56	28.44
Impact of +1% Change in Rate of Salary Increase	19.91	27.14
Impact of -1% Change in Rate of Salary Increase	(18.92)	(25.94)
Impact of +1% Change in Rate of Employee Turnover	1.50	2.45
Impact of -1% Change in Rate of Employee Turnover	(1.64)	(2.72)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

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

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

Some of the Indian subsidiaries operate defined benefit gratuity plan for its employees, which requires contributions to be made to a separately administered fund or a financial institution. It is governed by the Payment of Gratuity Act, 1972. The Board of Trustees is responsible for the administration of the plan assets including investments of the fund in accordance with the norms prescribed by the Government of India. In case of certain Indian subsidiaries of the group, the fund is managed by Life Insurance Corporation (LIC) and every year the required contribution amount is paid to LIC.

In respect of foreign subsidiaries of the group, retirement benefits are governed and accrued as per local statutes and there are no defined benefit plans. The amount contributed to the defined contribution plan is charged to the Statement of Profit and Loss on accrual basis. Hence the above table includes the details of Company's incorporated in India only.

K. Provident Fund

The Group has established Provident Fund namely Forbes & Company Ltd. Employees Provident Fund, in respect of eligible employees to which both the employee and employer make contribution equal to 12% of the employees' basic salary respectively. The Group's contribution to the provident fund for eligible employees, are charged to the Statement of Profit and Loss. In case of any liability arising due to shortfall between the return from its investments and the administered interest rate, the same is required to be provided for by the Group. In accordance with the recent actuarial valuation, there is no deficiency in the interest cost as the present value of expected future earnings of the fund is greater than the expected amount to be credited to the individual members based on the expected guaranteed rate of interest.

₹ in Lakhs

Particulars	As at 31 st Mar., 2023	As at 31 st Mar., 2022
Employer's contribution to the provident fund trust	100.91	89.41

The details of Group's provident fund and planned assets position as at year end is given below:

₹ in Lakhs

Particulars	As at 31 st Mar., 2023	As at 31 st Mar., 2022
Present value of Defined Benefit Obligation as at year end	3,554.00	3,374.11
Planned assets as at year end	3,777.31	3,589.90

Assumptions used in determining the present value obligation of the interest rate guarantee are as follows:

Particulars	As at 31 st Mar., 2023	As at 31 st Mar., 2022
Approach used	Deterministic	Deterministic
Increase in compensation levels	4.50%	4.50%
Discount Rate	7.31%	6.70%
Attrition Rate *	17.24%	11.89%
Reinvestment Period on Maturity	5 years	5 years
Expected Guaranteed Interest Rate	8.15%	8.10%
Average Expected Future Service	4 years	6 years
Average Term to Maturity	4 years	4 years
Mortality Rate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

L. The liability for Compensated absences (Non – Funded) as at year end is ₹ 12.13 Lakhs (Previous Year ₹ 334.51 Lakhs) (refer Note 19B).

The Company provides for encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment / availment. The Company makes provision for compensated absences based on an actuarial valuation carried out at the end of the year using the Projected Unit Credit method. Leave obligations not expected to be settled in the next 12 months is ₹ Nil (Previous Year ₹ 244.33 Lakhs).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

45 Financial Instruments

45.1 Capital Management

The Group manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of net debt (borrowings as detailed in Notes 20 and 25 offset by cash and bank balances) and total equity of the Group.

The Group determines the amount of capital required on the basis of annual as well as long term operating plans and other strategic investment plans. The funding requirements are met through non convertible debt securities or other long-term / short-term borrowings. The Group monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Group.

The capital components of the Group are as given below:	₹ in Lakhs	
	As at 31 st Mar., 2023	As at 31 st Mar., 2022
Total Equity	22,481.42	8,623.27
Short Term Borrowings (includes current maturities of long term borrowings)	2,999.12	16,092.78
Long Term Borrowings (includes accrued interest)	3,597.32	6,650.35
Current maturities of long term borrowings	243.25	4,690.05
Lease Liability	2,066.16	1,693.08
Total Debt	8,905.85	29,126.26
Cash and Cash equivalents	4,557.15	1,730.76
Bank balances other than above	1,998.90	448.26
Balance held as margin money with banks with remaining maturity period of more than 12 months	18.82	18.76
Net Debt	2,330.98	26,928.48
Debt Equity ratio	0.40	3.38
Debt Equity Ratio = Total Debt / Total Equity		

45.2 Financial risk management objectives

The Group monitors and manages the financial risks to the operations of the Group. These risks include market risk, credit risk and liquidity risk.

45.3 Market Risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates (refer Note 45.7) and interest rates (refer Note 45.6). The Group enters into a variety of derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk.

45.4 Credit risk management

Trade receivables

Trade receivables are generally unsecured and are derived from revenue earned from customers. On account of adoption of Ind AS 109, the Group uses expected credit loss model to assess the impairment loss or gain. The Group uses a provision matrix and forward-looking information and an assessment of the credit risk over the expected life of the financial asset to compute the expected credit loss allowance for trade receivables. Historical experience of collecting receivables of the Group is supported by low level of past default and hence the credit risk is perceived to be low.

Other financial assets

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are mutual funds and banks with high credit-ratings assigned by credit-rating agencies.

45.5 Liquidity Risk

Liquidity Risk refers to insufficiency of funds to meet the financial obligations. Liquidity Risk Management implies maintenance of sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit lines to meet obligations when due.

The Group manages liquidity risk by banking facilities and by continuously monitoring forecast and actual cash flows, and by assessing the maturity profiles of financial assets and liabilities. The below table sets out details of additional undrawn facilities that the Group has at its disposal to further reduce liquidity risk.

The Group has undrawn credit lines available as at the end of the reporting period of ₹ 1,301 Lakhs (*Previous Year ₹ 892.82 Lakhs*).

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the earliest date on which the Group can be required to pay. The tables include principal and interest cash flows. The amounts reflected are gross and undiscounted.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

	₹ in Lakhs		
	As at 31 st Mar., 2023		
	Upto 1 year	1 to 5 years	5 years and above
Maturities of Financial Liabilities as at the Balance Sheet date			
Borrowings (includes interest)	5,890.61	1,158.85	-
Trade Payables	7,160.04	-	-
Other Financial Liabilities	1,685.30	624.71	-
Lease Liabilities (undiscounted values)	464.52	1,133.76	9.86
	<u>15,200.47</u>	<u>2,917.32</u>	<u>9.86</u>

	₹ in Lakhs		
	As at 31 st Mar., 2022		
	Upto 1 year	1 to 5 years	5 years and above
Maturities of Financial Liabilities as at the Balance Sheet date			
Borrowings (includes interest)	21,875.44	6,341.64	478.90
Trade Payables	8,094.35	-	-
Other Financial Liabilities	2,505.95	250.00	-
Lease Liabilities (undiscounted values)	503.66	1,185.60	16.87
	<u>32,979.40</u>	<u>7,777.24</u>	<u>495.77</u>

45.6 Interest Rate Risk and Sensitivity Analysis

Interest rate risk results from changes in prevailing market interest rates, which can cause a change in the fair value of fixed-rate instruments and changes in the interest payments of the variable-rate instruments.

The Group is exposed to interest rate risk because it borrows funds at both fixed and floating interest rates.

The sensitivity analysis below have been determined based on the exposure to interest rates for borrowings at the end of the reporting period. For floating rate borrowings the analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group's.

- Profit for the year ended 31st March, 2023 would decrease/increase by ₹ 21.78 Lakhs respectively. This is mainly attributable to the Group's exposure to borrowings at floating interest rates.
- Profit for the year ended 31st March, 2022 would decrease/increase by ₹ 150.31 Lakhs respectively. This is mainly attributable to the Group's exposure to borrowings at floating interest rates.

45.7 Derivatives Instruments and unhedged Foreign Currency (FC) exposure

The Group is exposed to Currency Risk arising from its trade exposures and capital/loan receipt/payments denominated, in other than the Functional Currency. The Group has a Foreign Exchange Risk Management policy within which the treasury has to perform and also lays down the checks and controls to ensure the continuing success of the treasury function. The Group has defined strategies for addressing the risks for each category of exposures (e.g. for exports, for imports, for loans, etc.). The centralised treasury function aggregates the foreign exchange exposure and takes prudent measures to hedge the exposure based on prevalent macro-economic conditions.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

Particulars of unhedged foreign currency exposures as at the reporting date

Currencies	As at 31 st Mar., 2023				As at 31 st Mar., 2022			
	Advances from customers and Other Liabilities		Trade receivables		Advances from customers and Other Liabilities		Trade receivables	
	FC (Amount in Lakhs)	₹ in Lakhs	FC (Amount in Lakhs)	₹ in Lakhs	FC (Amount in Lakhs)	₹ in Lakhs	FC (Amount in Lakhs)	₹ in Lakhs
USD	0.20	16.42	4.34	356.95	0.35	26.83	6.35	480.06
GBP	-	0.04	0.78	79.53	-	-	0.61	60.73
EUR	0.01	0.71	-	-	-	0.23	-	-

Currencies	As at 31 st Mar., 2023				As at 31 st Mar., 2022			
	Advances to vendors and Other Advances		Trade payables		Advances to vendors and Other Advances		Trade payables	
	FC (Amount in Lakhs)	₹ in Lakhs	FC (Amount in Lakhs)	₹ in Lakhs	FC (Amount in Lakhs)	₹ in Lakhs	FC (Amount in Lakhs)	₹ in Lakhs
USD	0.03	2.47	1.01	83.08	0.31	23.73	3.71	280.50
EUR	0.05	4.47	2.52	224.98	0.02	2.01	3.80	319.48
CHF	-	-	0.03	2.47	-	-	-	-
GBP	-	-	-	-	-	-	-	-
AUD	-	-	-	-	-	-	2.04	115.59
AED	-	-	0.03	0.67	-	-	0.29	6.03

* Amount is below rounding off norm adopted by the Group.

Currencies	As at 31 st Mar., 2023		As at 31 st Mar., 2022	
	Cash and Bank Balances		Cash and Bank Balances	
	FC (Amount in Lakhs)	₹ In Lakhs	FC (Amount in Lakhs)	₹ In Lakhs
USD	0.30	24.80	0.81	60.95
EUR	-	-	0.01	0.70

Of the above, the Group is mainly exposed to USD, GBP and EUR. Hence the following table analyses the Group's Sensitivity to a 5% increase and a 5% decrease in the exchange rates of these currencies against INR.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

As on 31st March, 2023

Currencies	Increase/ Decrease	Total Assets in FC (in Lakhs)	Total Liabilities in FC (in Lakhs)	Impact on Profit or Loss for the year (₹ in Lakhs)
USD	Increase by 5%	4.67	1.21	14.21
USD	Decrease by 5%	4.67	1.21	(14.21)
GBP	Increase by 5%	0.78	-	3.96
GBP	Decrease by 5%	0.78	-	(3.96)
EUR	Increase by 5%	0.05	2.54	(11.13)
EUR	Decrease by 5%	0.05	2.54	11.13
AED	Increase by 5%	-	0.03	(0.03)
AED	Decrease by 5%	-	0.03	0.03
CHF	Increase by 5%	564.68	0.03	2,535.28
CHF	Decrease by 5%	564.68	0.03	(2,535.28)

As on 31st March, 2022

Currencies	Increase/ Decrease	Total Assets in FC (in Lakhs)	Total Liabilities in FC (in Lakhs)	Impact on Profit or Loss for the year (₹ in Lakhs)
USD	Increase by 5%	7.47	4.07	12.85
USD	Decrease by 5%	7.47	4.07	(12.85)
GBP	Increase by 5%	0.61	-	3.03
GBP	Decrease by 5%	0.61	-	(3.03)
EUR	Increase by 5%	0.03	3.81	(15.88)
EUR	Decrease by 5%	0.03	3.81	15.88
AUD	Increase by 5%	-	2.04	2.83
AUD	Decrease by 5%	-	2.04	(2.83)
AED	Increase by 5%	-	0.29	1.03
AED	Decrease by 5%	-	0.29	(1.03)
CHF	Decrease by 5%	564.68		2,309.54
CHF	Decrease by 5%	564.68		(2,309.54)

45.8 Fair Value Disclosures

₹ in Lakhs

a)	Categories of Financial Instruments:	As at 31 st Mar., 2023			As at 31 st Mar., 2022		
		FVTPL **	FVOCI ***	Amortised Cost	FVTPL **	FVOCI ***	Amortised Cost
	Financial Assets						
	Investments *	1,418.85	10,650.30	3.92	0.18	9,766.73	3.92
	Loans	-	-	10.61	-	-	0.83
	Cash and Bank Balances	-	-	6,556.05	-	-	2,179.02
	Trade Receivables	-	-	6,654.67	-	-	9,794.27
	Other Financial Assets	-	-	773.54	-	-	684.21
		1,418.85	10,650.30	13,998.79	0.18	9,766.73	12,662.25

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

a)	Categories of Financial Instruments:	As at 31 st Mar., 2023			As at 31 st Mar., 2022		
		FVTPL **	FVOCI ***	Amortised Cost	FVTPL **	FVOCI ***	Amortised Cost
	Financial liabilities						
	Borrowings	-	-	5,127.82	-	-	27,132.31
	Trade Payables	-	-	7,160.04	-	-	8,094.35
	Other Financial Liabilities	-	-	4,021.88	-	-	3,056.82
	Lease Liabilities	-	-	2,066.16	-	-	1,693.08
		-	-	18,375.90	-	-	39,976.56

* Excludes investment in equity shares of Associates and Joint ventures amounting to ₹ 2,436.75 lakhs (Previous Year ₹ 1,936.38 lakhs) accounted using equity method/ carried at cost less impairment.

** Mandatorily measured at fair value in accordance with Ind AS 109.

*** Investments in equity instruments designated as such upon initial recognition in accordance with paragraph 5.7.5 of Ind AS 109. These investments in equity instruments are not held for trading. Instead, they are held for medium or long term strategic purpose. Upon the application of IND AS 109, the Group has chosen to designate these investments in equity instruments at FVTOCI as it is believed that this provides a more meaningful presentation for medium or long term strategic investment than reflecting changes in fair value immediately in profit and loss account.

b) Fair Value Hierarchy and Method of Valuation

Except as detailed in the following table, the Group considers that the carrying amounts of financial instruments recognised in the financial statements approximate their fair values.

₹ in Lakhs

Financial Assets	As at 31 st Mar., 2023				
	Carrying value	Level 1	Level 2	Level 3	Total
Measured at FVTPL Investments					
Investments in Equity Instruments	0.18	-	-	0.18	0.18
Measured at FVOCI Investments					
Investments in Equity Instruments	10,650.30	10,650.30	-	-	10,650.30

₹ in Lakhs

Financial Assets	As at 31 st Mar., 2022				
	Carrying value	Level 1	Level 2	Level 3	Total
Measured at FVTPL Investments					
Investments in Equity Instruments	0.18	-	-	0.18	0.18
Measured at FVOCI Investments					
Investments in Equity Instruments	9,766.73	9,766.73	-	-	9,766.73

Note:

There are no transfers between level 1, level 2 and level 3 during the year.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

c) **Fair value measurements using significant unobservable inputs (level 3)**

The following table presents the changes in level 3 items for the period ended 31st March, 2023 and 31st March, 2022.

	₹ in Lakhs
	<u>Total</u>
As at 31st March, 2021	0.68
Fair value gain/ (loss) recognised in the Statement of Profit and Loss	(0.50)
Purchases made during the year	-
Sales made during the year	-
As at 31st March, 2022	<u>0.18</u>
Purchases made during the year	-
Sales made during the year	-
As at 31st March, 2023	<u><u>0.18</u></u>

Description of significant unobservable inputs to valuations for level 3 items

<u>Significant unobservable Inputs</u>	<u>Relationship of unobservable Inputs to fair value</u>
Long term revenue growth rates taking into accounts managements experience and knowledge of market conditions of the specific industries	A slight increase in the long term revenue growth rates used in isolation would result in increase in fair value
Long term pre tax operating margin taking into account managements experience and knowledge of market conditions of the specific industries	A significant increase in the long term pre tax operating margin used in isolation would result in increase in fair value
Weighted average cost of capital (WACC), determined using a Capital Asset pricing Model	A slight increase in the WACC used in isolation would result in decrease in Fair value

d) **Valuation Process**

The main level 3 inputs used for unlisted financial instruments are as follows:

- 1) the use of quoted market prices or dealer quotes for similar instruments.
- 2) All of the resulting fair value estimates are included in level 1 except for unlisted equity securities where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.
- 3) The Fair value of financial Instrument that are not traded in an active market is determined using valuation technique. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

e) **Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)**

The Group consider that the carrying amounts of financial assets and financial liabilities recognised in Note (a) above approximate their fair values.

46. Segment reporting

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 group level.

The Group has identified business segments as its primary segment and geographical segment as its secondary segment. Business segments are primarily "Health, Hygiene, Safety Products and its services", "Engineering", "Real estate", "IT Enabled Services and Products" and "Shipping and Logistics Services" segment. The Group caters to the needs of the domestic and export markets.

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.

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. During the year the Group has decided to discontinue operations relating to Forbes Express. The segment results, segment assets and segment liabilities from the discontinued operations have been disclosed separately.

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

(a) Information about reportable segments for the year:

Particulars	Health, Hygiene, Safety Products and its services		Engineering		Real estate		IT Enabled Services and Products		Shipping and Logistics Services		Others		Elimination		Total
	31 st Mar., 2023	31 st Mar., 2022	31 st Mar., 2023	31 st Mar., 2022	31 st Mar., 2023	31 st Mar., 2022	31 st Mar., 2023	31 st Mar., 2022	31 st Mar., 2023	31 st Mar., 2022	31 st Mar., 2023	31 st Mar., 2022	31 st Mar., 2023	31 st Mar., 2022	
Segment Revenue	18,985.64	22,401.89	22,987.45	20,631.00	1,920.39	2,901.68	304.29	1,066.00	-	4,443.00	29.00	44,197.77	51,472.57	-	51,472.57
Inter segment revenue	-	1.34	-	-	22.80	70.32	7.77	-	-	-	7.77	38.34	71.66	(71.66)	-
Revenue from operations	18,985.64	22,403.23	22,987.45	20,631.00	1,943.19	2,972.00	312.06	1,066.00	-	4,443.00	29.00	44,236.11	51,544.23	(38.34)	44,197.77
Segment Results (including exceptional items)	*4,485.94	(31,941.00)	2,476.78	2,969.00	123.51	753.00	(**,011.31)	(**2,179.00)	-	926.00	-	(15.00)	4,074.92	-	4,074.92
Add: Unallocated income (net of unallocated expenses)															20,117.28
Add: Share of profit of joint ventures															295.51
Add: Exceptional items other than related to segments (net)															(816.39)
Profit before tax and finance costs															<u>23,671.32</u>
Less: Finance costs															1,759.50
Profit / (Loss) before tax continuing operations															<u>21,911.82</u>
(Loss) before tax from discontinued operations															69.45
Profit / (Loss) for the year before tax															<u>21,981.27</u>
Provision for taxation:															
Tax expense (current & deferred) continuing operations															(2,779.20)
Tax expense (current & deferred) discontinued operations															(20.01)
Profit / (Loss) for the year															<u>19,182.06</u>
Capital employed															
Segment assets	11,724.92	14,045.00	15,574.09	16,382.00	19,312.02	16,331.00	1,054.47	4,087.00	-	-	17.84	47,683.34	51,085.00	-	47,683.34
Assets pertaining to discontinued operations															5,422.00
Unallocated corporate assets															22,456.23
Total assets	<u>11,724.92</u>	<u>14,045.00</u>	<u>15,574.09</u>	<u>16,382.00</u>	<u>19,312.02</u>	<u>16,331.00</u>	<u>1,054.47</u>	<u>4,087.00</u>	<u>-</u>	<u>-</u>	<u>17.84</u>	<u>47,683.34</u>	<u>51,085.00</u>	<u>-</u>	<u>70,109.57</u>
Segment liabilities	11,564.58	10,283.00	4,329.46	8,316.00	26,526.27	18,838.00	4,228.10	13,431.00	-	-	-	46,648.41	54,368.00	-	54,368.00
Liabilities pertaining to discontinued operations															4,957.00
Unallocated corporate liabilities															979.74
Total liabilities	<u>11,564.58</u>	<u>10,283.00</u>	<u>4,329.46</u>	<u>8,316.00</u>	<u>26,526.27</u>	<u>18,838.00</u>	<u>4,228.10</u>	<u>13,431.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>46,648.41</u>	<u>54,368.00</u>	<u>-</u>	<u>71,094.00</u>
Capital employed	<u>160.34</u>	<u>3,762.00</u>	<u>11,244.63</u>	<u>8,066.00</u>	<u>(7,214.25)</u>	<u>(2,507.00)</u>	<u>(3,173.63)</u>	<u>(9,344.00)</u>	<u>-</u>	<u>-</u>	<u>17.84</u>	<u>1,034.93</u>	<u>(3,283.00)</u>	<u>-</u>	<u>22,481.42</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

Particulars	Health, Hygiene, Safety Products and its services		Engineering		Real estate		IT Enabled Services and Products		Shipping and Logistics Services		Others		Elimination		Total	
	31 st Mar., 2023	31 st Mar., 2022	31 st Mar., 2023	31 st Mar., 2022	31 st Mar., 2023	31 st Mar., 2022	31 st Mar., 2023	31 st Mar., 2022	31 st Mar., 2023	31 st Mar., 2022	31 st Mar., 2023	31 st Mar., 2022	31 st Mar., 2023	31 st Mar., 2022	31 st Mar., 2023	31 st Mar., 2022
Cost incurred to acquire segment assets including adjustments on account of capital work-in-progress	492.46	1,199.29	1,138.26	1,239.68	17.66	23.99	49.45	1,147.17	49.45	-	-	-	1,648.38	3,719.58	1,648.38	3,719.58
Unallocated cost incurred to acquire assets including adjustments on account of capital work-in-progress	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total capital expenditure	492.46	1,199.29	1,138.26	1,239.68	17.66	23.99	49.45	1,147.17	49.45	-	-	-	1,648.38	3,719.58	1,648.38	3,719.58
Segment depreciation/ amortisation / amortisation	940.18	1,024.41	1,205.33	1,179.54	114.09	84.50	562.83	419.78	562.83	-	1,246.49	0.29	2,679.38	4,098.06	2,679.38	4,098.06
Total depreciation / amortisation	940.18	1,024.41	1,205.33	1,179.54	114.09	84.50	562.83	419.78	562.83	-	1,246.49	0.29	2,679.38	4,098.06	2,679.38	4,143.63
Non-cash segment expenses other than depreciation	(2,878.61)	*34,103.05	82.56	16.12	3.08	3.99	**2,441.23	**1,912.57	489.75	489.75	-	-	(306.55)	36,525.48	(306.55)	36,525.48
Unallocated non-cash expenses other than depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total non-cash expenses other than depreciation	(2,878.61)	34,103.05	82.56	16.12	3.08	3.99	2,441.23	1,912.57	489.75	489.75	-	-	(306.55)	36,525.48	(306.55)	36,709.10

- * Includes a non-cash charge of impairment of goodwill/ investment in Joint Venture of ₹ NIL for the year ended 31st March, 2023 (for the year ended 31st March, 2022 ₹ 33,767 Lakhs).
- # Includes a non-cash charge of impairment of intangible assets and intangible assets under development of ₹ 500 Lakhs for the year ended 31st March, 2023 (for the year ended 31st March, 2022 ₹ 161 Lakhs).
- & Includes provision for slow-moving damaged or obsolete inventories of ₹ 97 Lakhs for the year ended 31st March, 2023 (₹ 1158 Lakhs for the year ended 31st March, 2022).
- \$ Includes a provision for shortfall in expected recoverable value for assets held for sale/ loss on sale of assets of ₹ NIL (₹ 664 Lakhs for the year ended 31st March, 2022).
- ^ Includes gain on capital reduction of Shapoorji Pallonji Forbes Shipping Limited (SPFSL) of ₹ NIL (₹ 793 Lakhs for the year ended 31st March, 2022.)
- % Includes gain on sale of FFSPL of ₹ 3887 lakhs for nine months ended 31st December, 2022 and quarter ended 30th September, 2022.
- ! Includes Provision for Sales Tax for Rs 372 Lakhs for the year ended 31st March, 2023.
- > Includes gain on capital reduction of Forbes Technosys Limited ₹ 380 Lakhs for the year ended 31st March, 2022.
- + Includes gain on loss of control of SPFSL ₹ 3887 Lakhs for the year ended 31st March, 2023 (Rs 166 Lakhs for the year ended 31st March, 2022).

(b) Geographical information

Revenue

Non-Current Asset (excluding financial assets and tax assets)

Cost incurred to acquire segment assets including adjustments on account of capital work-in-progress

Particulars	Within India		Outside India		Total	
	31st Mar., 2023	31st Mar., 2022	31st Mar., 2023	31st Mar., 2022	31st Mar., 2023	31st Mar., 2022
Revenue	25,212.13	27,668.20	18,985.64	23,804.37	44,197.77	51,472.57
Non-Current Asset (excluding financial assets and tax assets)	13,601.08	(38,070.06)	1,340.05	54,639.10	14,941.13	16,569.04
Cost incurred to acquire segment assets including adjustments on account of capital work-in-progress	1,475.15	3,270.74	173.23	448.84	1,648.38	3,719.58

(c) Information about major customer

No single customer contributed 10% or more to the group's revenue for the year ended 31st March, 2023 and 31st March, 2022.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

47. Additional information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary/ Associates / Joint Ventures
Current Year

Name of the Company	Particulars							
	Net Assets, i.e., total assets minus total liabilities		Share in profit/(loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount ₹ in Lakhs	As % of consolidated profit or loss	Amount ₹ in Lakhs	As % of consolidated other comprehensive income	Amount ₹ in Lakhs	As % of total comprehensive income	Amount ₹ in Lakhs
Parent								
Forbes & Company Limited	92.01	20,685.17	124.38	23,859.16	(40.60)	1,307.91	157.69	25,167.07
Subsidiaries								
Indian								
1 Forbes Facility Services Private Limited	-	-	0.31	59.11	-	-	0.37	59.11
2 Volkart Fleming Shipping & Services Limited	1.03	230.72	(0.14)	(26.87)	-	-	(0.17)	(26.87)
3 Forbes Campbell Finance Limited	30.93	6,953.96	(4.50)	(863.55)	(18.02)	580.41	(1.77)	(283.14)
4 Forbes Technosys Limited	(48.62)	(10,929.71)	(17.65)	(3,386.58)	(0.05)	1.62	(21.21)	(3,384.96)
5 Campbell Properties & Hospitality Services Limited	0.86	193.02	0.02	4.15	-	-	0.03	4.15
6 Forbes Precision Tools And Machine Parts Limited	0.02	3.83	(0.01)	(1.18)	-	-	(0.01)	(1.18)
Foreign								
1 EFL Mauritius Limited	(1.26)	(282.28)	(0.15)	(29.11)	0.53	(16.98)	(0.29)	(46.09)
2 Lux International AG (LIAG) Group	(5.29)	(1,190.36)	(24.78)	(4,754.27)	9.87	(317.85)	(31.78)	(5,072.12)
3 Forbes Lux International AG (FLIAG) Group	(204.03)	(45,869.14)	(171.34)	(32,865.91)	26.65	(858.50)	(211.30)	(33,724.41)
Joint Ventures								
Indian								
1 Forbes Bumi Armada Limited	4.88	1,096.92	0.81	155.91	-	0.06	0.98	155.97
2 Forbes Concept Hospitality Services Private Limited	-	-	-	(0.88)	-	-	(0.01)	(0.88)
Associates								
Indian								
1 Nuevo Consultancy Services Private Limited (including Dhan Gaming Solution (India) Private Limited)	4.88	1,096.55	0.53	101.64	-	-	0.64	101.64
2 Forbes Macsa Private Limited	1.11	250.00	-	(6.61)	-	(0.11)	(0.04)	(6.72)
Adjustment/ elimination on consolidation	223.48	50,242.74	192.59	36,950.29	122.59	(3,917.31)	206.96	33,032.98
Non-controlling Interest in all subsidiaries	-	-	(0.07)	(13.24)	0.03	(1.01)	(0.09)	(14.25)
Total	100.00	22,481.42	100.00	19,182.06	100.00	(3,221.76)	100.00	15,960.30

* Percentage is below the rounding off norm adopted by Group

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

47. Additional information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary/ Associates / Joint Ventures

Previous Year

Name of the Company	Particulars							
	Net Assets, i.e., total assets minus total liabilities		Share in profit/(loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount ₹ in Lakhs	As % of consolidated profit or loss	Amount ₹ in Lakhs	As % of consolidated other comprehensive income	Amount ₹ in Lakhs	As % of total comprehensive income	Amount ₹ in Lakhs
Parent								
Forbes & Company Limited	45.25	3,901.92	97.74	4,13,293.91	0.33	21.59	96.26	4,13,315.50
Subsidiaries								
Indian								
1 Eureka Forbes Limited	-	-	0.29	1,215.33	(0.56)	(36.46)	0.27	1,178.87
2 Forbes Facility Services Private Limited	5.48	472.19	(0.10)	(418.37)	(2.15)	(139.48)	(0.13)	(557.85)
3 Forbes Enviro Solutions Limited	-	-	(0.05)	(200.18)	0.04	2.31	(0.05)	(197.87)
4 Euro Forbes Financial Services Limited	-	-	-	(0.51)	-	-	-	(0.51)
5 Volkart Fleming Shipping & Services Limited	2.99	257.58	-	(0.01)	-	-	-	(0.01)
6 Forbes Campbell Finance Limited	83.93	7,237.11	(0.17)	(699.56)	116.62	7,580.01	1.60	6,880.45
7 Forbes Campbell Services Limited	0.27	23.66	-	(1.16)	-	-	-	(1.16)
8 Forbes Technosys Limited	(163.79)	(14,123.94)	(1.00)	(4,222.56)	0.07	4.79	(0.98)	(4,217.77)
9 Shapoorji Pallonji Forbes Shipping Limited	-	-	(0.02)	(69.96)	-	-	(0.02)	(69.96)
10 Campbell Properties & Hospitality Services Limited	2.19	188.86	-	6.15	-	-	-	6.15
11 Aquagnis Technologies Private Limited	-	-	(0.02)	(80.98)	-	0.03	(0.02)	(80.95)
12 Infinite Water Solutions Private Limited	-	-	0.11	470.75	-	(0.13)	0.11	470.62
13 Forbes Aquatech Limited	-	-	-	(7.48)	-	-	-	(7.48)
Foreign								
1 EFL Mauritius Limited	(2.74)	(236.19)	-	-	0.08	5.24	-	5.24
2 Euro Forbes Limited, Dubai	-	-	(0.27)	(1,136.55)	0.08	5.12	(0.26)	(1,131.43)
3 Forbes Lux FZCO	-	-	(0.40)	(1,701.74)	0.42	27.36	(0.39)	(1,674.38)
4 Lux International AG (LIAG) Group	45.04	3,883.69	0.38	1,589.45	(0.25)	(16.45)	0.37	1,573.00
5 Forbes Lux International AG (FLIAG) Group	(108.21)	(9,331.57)	(1.25)	(5,276.00)	7.97	517.94	(1.11)	(4,758.06)
Joint Ventures								
Indian								
1 Forbes Bumi Armada Limited	10.91	940.95	0.03	105.72	-	0.10	0.02	105.82
2 Forbes Concept Hospitality Services Private Limited	0.01	0.52	-	(0.43)	-	-	-	(0.43)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

Name of the Company		Particulars							
		Net Assets, i.e., total assets minus total liabilities		Share in profit/(loss)		Share in other comprehensive income		Share in total comprehensive income	
		As % of consolidated net assets	Amount ₹ in Lakhs	As % of consolidated profit or loss	Amount ₹ in Lakhs	As % of consolidated other comprehensive income	Amount ₹ in Lakhs	As % of total comprehensive income	Amount ₹ in Lakhs
1	Foreign AMC Cookware (Proprietary) Limited Associates	-	-	0.15	632.98	-	-	0.15	632.98
1	Indian Nuevo Consultancy Services Private Limited (including Dhan Gaming Solution (India) Private Limited)	11.54	994.91	0.11	465.19	-	-	0.11	465.19
2	Shapoorji Pallonji Forbes Shipping Limited	20.90	1,802.01	-	-	-	-	-	-
	Adjustment/ elimination on consolidation	146.49	12,631.82	4.49	19,005.94	(22.65)	(1,472.14)	4.08	17,533.80
	Non-controlling Interest in all subsidiaries	(0.23)	(20.25)	(0.02)	(105.41)	-	(0.01)	(0.02)	(105.42)
	Total	100.00	8,623.27	99.99	4,22,864.52	100.00	6,499.82	100.00	4,29,364.34

* Percentage is below the rounding off norm adopted by Group.

48. Related Party Disclosures

(a) Name of the Related Parties and Description of Relationship:

(A) Holding Company

Shapoorji Pallonji & Company Private Limited

(B) Fellow Subsidiaries/ Enterprises under common control :(where there are transactions in the current/ previous year)

Afcons Infrastructure Limited
Eureka Forbes Institute of Environment (Trust)
Forvol International Services Limited
Jaykali Developer Private Limited
Shapoorji Pallonji Investment Advisors Private Limited
Gokak Textiles Limited
Gossip Properties Private Limited
Shapoorji Pallonji Development Managers Private Limited (formerly Lucrative Properties Private Limited)
Next Gen Publishing Limited
HPCL Shapoorji Energy Private Limited
Relationship Properties Private Limited
Shapoorji Pallonji Infrastructure Capital Company Private Limited
Shapoorji Pallonji Engineering and Construction Private Limited
Shapoorji Infrastructure Private Limited
Shapoorji Pallonji Oil & Gas Private Limited
Sterling and Wilson Private Limited
Sterling and Wilson Solar Limited
SP Fabricators Private Limited
Sterling Investment Corporation Private Limited

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

Transtunnelstroy Afcons Joint Venture
 Paikar Real Estates Private Limited
 Joyville Shapoorji Housing Private Limited
 SD Corporation Private Limited
 Shapoorji Pallonji Finance Private Limited
 Shapoorji Pallonji Rural Solutions Private Limited
 United Motors (India) Private Limited
 Grand View Estates Private Limited
 Stonesteel Prefab Infra Private Limited (w.e.f. April 1st, 2019)
 Coventry Properties Private Limited
 Simar Port Private Limited
 Image Realty LLP
 ESPI Holdings Mauritius Limited

(C) Associate Companies:

Nuevo Consultancy Services Private Limited
 Shapoorji Pallonji Forbes Shipping Limited (w.e.f 1st March, 2022)
 Euro P2P Direct (Thailand) Co. Limited (Refer Note 66)
 Dhan Gaming Solution (India) Private Limited

(D) Joint Ventures :

Forbes Concept Hospitality Services Private Limited
 Forbes Aquatech Limited (upto 27th August 2020)
 Infinite Water Solutions Private Limited (upto 30th March 2021)
 AMC Cookware (Proprietary) Limited (Upto December 01, 2021)
 Forbes Bumi Armada Limited
 Forbes Macsa Private Limited

(E) Joint Ventures/ Associates of Holding Company / Fellow Subsidiaries :(where there are transactions)

Shapoorji Pallonji Bumi Armada Offshore Limited (formerly known as Forbes Bumi Armada Offshore Limited)
 M/s G.S. Enterprise
 SP Armada Oil Exploration Private Limited
 Shapoorji Pallonji Armada Oil and Gas Services Private Limited

(F) Key Management Personnel :

Managing Director of Forbes & Company Limited, Mr. Mahesh Tahilyani
 Managing Director and CEO of Eureka Forbes Limited, Mr Marzin R. Shroff (Refer Note 66)

Non Executive Directors of Forbes & Company Limited

Shapoor P.Mistry	Chairman
Jai L. Mavani	Non-Executive Director
D. Sivanandhan	Independent Director
Rani Jadhav	Independent Director
Nikhil Bhatia	Independent Director

(G) Post employment benefit plan

Forbes & Company Limited Employees Provident Fund
 Eureka Forbes Limited Employees Gratuity Fund (Refer Note 66)
 Eureka Forbes Limited Employees Provident Fund (Refer Note 66)
 Eureka Forbes Limited Managing Staff Superannuation Scheme (Refer Note 66)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

48. Related party disclosures (contd.)

Current Year

(b) transactions/ balances with above mentioned related parties

₹ in Lakhs

	Parties in A above	Parties in B above	Parties in C above	Parties in D above	Parties in E above	Parties in F above	Total
Balances							
1 Trade Payables and Capital Creditors	448.12	16.73	450.46	-	-	-	915.32
2 Advances received from customer	0.02	-	-	-	-	-	0.02
3 Interest accrued	1,711.18	172.17	-	-	-	-	1,883.36
4 Trade Receivables	1.87	69.25	10.70	-	25.43	-	107.25
5 Contractually reimbursable expense	-	221.01	-	-	-	-	221.01
6 Preference Shares classified as compound financial instrument	10.00	-	-	-	-	-	10.00
7 Long Term Loans and Advances	-	-	-	-	-	-	-
8 Provision for Doubtful Loans and Advances	-	-	-	18.19	-	-	18.19
9 Provision for Doubtful Trade Receivables	-	-	-	18.19	-	-	18.19
10 Unbilled Revenue	-	-	-	-	-	-	-
11 Deposits Payable	-	414.56	-	-	-	-	414.56
12 Other Payables	-	-	-	-	-	-	-
13 Deposits Receivable	-	-	-	18.19	-	-	18.19
14 Inter-corporate deposits receivable	-	-	-	-	-	-	-
15 Investment in Debentures	-	-	-	-	-	-	-
16 Guarantees Given	-	-	-	-	-	-	-
17 Guarantees Taken	6,175.00	-	-	-	-	-	6,175.00
18 Advance for Supply of Goods and Services and prepaid expenses	31.25	-	-	-	-	-	31.25
Transactions							
Purchases / Services							
19 Purchase of Fixed Assets/ Goods and Materials	-	-	-	-	-	-	-
20 Receiving of Services	-	-	-	-	-	-	-
21 Fixed Assets	-	-	-	-	-	-	-
22 Real Estate Development Expenses	2,049.84	-	646.03	-	-	-	2,695.87
Sales / Services							
23 Goods and Materials	-	-	-	-	-	-	-
24 Services Rendered	-	-	-	-	-	-	-
25 Fixed Assets / Investments/ Business	-	-	-	2.28	-	-	2.28
26 Sales of Flats	-	-	-	-	-	-	-
Expenses							
27 Rent	-	-	-	-	-	-	-
28 Repairs and Other Expenses	100.49	4.17	-	-	-	-	104.66
29 CSR Contribution	-	-	-	-	-	-	-
30 Travelling and conveyance expenses	-	90.96	-	-	-	-	90.96
31 Management Fees	-	-	-	-	-	-	-
32 Legal and professional charges	96.66	-	-	-	-	-	96.66
33 Transportation, freight, handling and other charges	-	-	-	-	-	-	-
34 Recovery of Expenses	-	-	-	-	-	-	-
35 Dividend Paid	6,083.54	-	-	-	-	-	6,083.54
36 Interest Paid	27.99	30.00	55.69	-	-	-	113.68

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

		₹ in Lakhs						
		Parties in A above	Parties in B above	Parties in C above	Parties in D above	Parties in E above	Parties in F above	Total
37	Project Management Consultancy Expense	-	-	-	-	-	-	-
38	Brokerage and Commission Charges	-	-	-	-	-	-	-
39	Balances written off loans and advances /Trade receivable	-	-	-	-	-	-	-
40	Remuneration	-	-	-	-	-	318.63	318.63
41	Miscellaneous expenses	0.25	-	-	-	-	-	0.25
42	Selling & Distribution Expenses	-	139.10	110.50	-	-	-	249.60
43	Advertisement and sales promotion	-	-	-	-	-	-	-
	Income							
44	Rent and Other Service Charges	13.78	116.97	14.55	5.73	-	-	151.03
45	Dividend	-	-	-	-	-	-	-
46	Interest Received	-	-	-	-	-	-	-
47	Profit on sale / Diminution in the value of Investments / Sale of Assets	-	-	-	1.01	-	-	1.01
48	Profit on sale of Business	-	-	-	-	-	-	-
49	Guarantee Commission	-	-	-	-	-	-	-
50	Miscellaneous Income	-	-	1.35	-	-	-	1.35
	Other Receipts							
51	Other Reimbursements (Receipts)	-	75.85	-	2.68	-	-	78.53
52	Other Reimbursements (Payments)	-	129.89	65.53	-	-	-	195.41
	Finance							
53	Inter-corporate deposits given	-	-	-	-	-	-	-
54	Inter-corporate deposits taken	-	-	-	-	-	-	-
55	Repayment of Deposits Taken	1,000.00	-	2,200.00	-	-	-	3,200.00
56	Deposit Given	-	-	-	-	-	-	-
57	Repayment of Deposits Given	-	-	-	-	-	-	-
58	Purchase of Subscriptions to Investments	-	-	-	-	-	-	-
59	Redemption of Investment	-	-	-	-	-	-	-
60	Repayment of Capital on Reduction of Equity Share Capital	-	-	-	-	-	-	-
61	Cancellation of Equity Share on account of Capital Reduction	-	-	-	-	-	-	-
62	Advances received from customers	-	-	-	-	-	-	-
63	Given on behalf of a Subsidiary	-	-	-	-	-	-	-
64	Given on behalf of the Company by Holding Company	-	-	-	-	-	-	-
65	Advance given during the year	-	-	-	-	-	-	-
66	Advances refunded to customer	-	-	-	-	-	-	-
67	Share application money paid	-	-	-	250.00	-	-	250.00

For details of investments in associates and joint ventures refer Notes 10A and 10B

Terms and conditions:-

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

48. Related party disclosures (contd.)

Current Year

(b) transactions/ balances with above mentioned related parties

₹ In Lakhs

	A	B	B	B	B	B	B	B	B	B	B	B	B
	Shapoorji Pallonji and Company Private Limited	Afcons Infra-structure Limited	Delphi Properties Private Limited	Blue Riband Properties Private Limited	Eureka Forbes Institute of Environment (Trust)	Forbes Edu-metry Limited	Forvol International Services Limited	Simar Port Pvt. Ltd	ESPI Holdings Mauritius Ltd	Image Realty LLP	Jaykali Developers Private Limited	Gokak Textiles Limited	Gossip Properties Private Limited
Balances													
1 Trade Payables and Capital Creditors	448.12	-	-	-	-	-	***	-	-	-	-	-	-
2 Advances received from customer	0.02	-	-	-	-	-	-	-	-	-	-	-	-
3 Interest accrued	1,711.18	-	-	-	-	-	-	-	-	-	-	-	-
4 Trade Receivables	***	15.86	-	-	-	-	-	-	-	-	-	-	***
5 Contractually reimbursable expense	-	-	-	-	-	-	-	-	-	-	-	***	-
6 Preference Shares classified as compound financial instrument	10.00	-	-	-	-	-	-	-	-	-	-	-	-
7 Long Term Loans and Advances	-	-	-	-	-	-	-	-	-	-	-	-	-
8 Provision for Doubtful Loans and Advances	-	-	-	-	-	-	-	-	-	-	-	-	-
9 Provision for Doubtful Trade Receivables	-	-	-	-	-	-	-	-	-	-	-	-	-
10 Unbilled Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
11 Deposits Payable	-	-	-	-	-	-	-	-	165.31	-	-	-	-
12 Other Payables	-	-	-	-	-	-	-	-	-	-	-	-	-
13 Deposits Receivable	-	-	-	-	-	-	-	-	-	-	-	-	-
14 Inter-corporate deposits receivable	-	-	-	-	-	-	-	-	-	-	-	-	-
15 Investment in Debentures	-	-	-	-	-	-	-	-	-	-	-	-	-
16 Guarantees Given	-	-	-	-	-	-	-	-	-	-	-	-	-
17 Guarantees Taken	6,175.00	-	-	-	-	-	-	-	-	-	-	-	-
18 Advance for Supply of Goods and Services and prepaid expenses	31.25	-	-	-	-	-	-	-	-	-	-	-	-
Transactions													
Purchases / Services													
19 Purchase of Fixed Assets/ Goods and Materials	-	-	-	-	-	-	-	-	-	-	-	-	-
20 Receiving of Services	-	-	-	-	-	-	-	-	-	-	-	-	-
21 Fixed Assets	-	-	-	-	-	-	-	-	-	-	-	-	-
22 Real Estate Development Expenses	2,049.84	-	-	-	-	-	-	-	-	-	-	-	-
Sales / Services													
23 Goods and Materials	-	-	-	-	-	-	-	-	-	-	-	-	-
24 Services Rendered	-	-	-	-	-	-	-	-	-	-	-	-	-
25 Fixed Assets / Investments/ Business	-	-	-	-	-	-	-	-	-	-	-	-	-
26 Sales of Flats	-	-	-	-	-	-	-	-	-	-	-	-	-
Expenses													
27 Rent	-	-	-	-	-	-	-	-	-	-	-	-	-
28 Repairs and Other Expenses	100.49	-	-	-	-	-	-	-	-	-	-	-	-
29 CSR Contribution	-	-	-	-	-	-	-	-	-	-	-	-	-
30 Travelling and conveyance expenses	-	-	-	-	-	-	90.96	-	-	-	-	-	-
31 Management Fees	-	-	-	-	-	-	-	-	-	-	-	-	-
32 Legal and professional charges	96.66	-	-	-	-	-	-	-	-	-	-	-	-
33 Transportation, freight, handling and other charges	-	-	-	-	-	-	-	-	-	-	-	-	-
34 Recovery of Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
35 Dividend Paid	6,083.54	-	-	-	-	-	-	-	-	-	-	-	-
36 Interest Paid	27.99	-	-	-	-	-	-	-	-	-	-	-	-
37 Project Management Consultancy Expense	-	-	-	-	-	-	-	-	-	-	-	-	-
38 Brokerage and Commission Charges	-	-	-	-	-	-	-	-	-	-	-	-	-
39 Balances written off loans and advances / Trade receivable	-	-	-	-	-	-	-	-	-	-	-	-	-
40 Remuneration	-	-	-	-	-	-	-	-	-	-	-	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

₹ In Lakhs

	A	B	B	B	B	B	B	B	B	B	B	B	B
	Shapoorji Pallonji and Company Private Limited	Afcons Infra-structure Limited	Delphi Properties Private Limited	Blue Riband Properties Private Limited	Eureka Forbes Institute of Environment (Trust)	Forbes Edu-metry Limited	Forvol International Services Limited	Simar Port Pvt. Ltd	ESPI Holdings Mauritius Ltd	Image Realty LLP	Jaykali Developers Private Limited	Gokak Textiles Limited	Gossip Properties Private Limited
41	Miscellaneous expenses	0.25	-	-	-	-	-	-	-	-	-	-	-
42	Selling & Distribution Expenses	-	-	-	-	-	139.10	-	-	-	-	-	-
43	Advertisement and sales promotion	-	-	-	-	-	-	-	-	-	-	-	-
	Income												
44	Rent and Other Service Charges	***	-	-	-	-	***	-	-	-	-	-	-
45	Dividend	-	-	-	-	-	-	-	-	-	-	-	-
46	Interest Received	-	-	-	-	-	-	-	-	-	-	-	-
47	Profit on sale / Diminution in the value of Investments / Sale of Assets	-	-	-	-	-	-	-	-	-	-	-	-
48	Profit on sale of Business	-	-	-	-	-	-	-	-	-	-	-	-
49	Guarantee Commission	-	-	-	-	-	-	-	-	-	-	-	-
50	Miscellaneous Income	-	-	-	-	-	-	-	-	-	-	-	-
	Other Receipts												
51	Other Reimbursements (Receipts)	-	-	-	-	-	***	-	-	-	-	-	-
52	Other Reimbursements (Payments)	-	-	-	-	-	-	-	-	-	-	-	-
	Finance												
53	Inter-corporate deposits given	-	-	-	-	-	-	-	-	-	-	-	-
54	Inter-corporate deposits taken	-	-	-	-	-	-	-	-	-	-	-	-
55	Repayment of Deposits Taken	1,000.00	-	-	-	-	-	-	-	-	-	-	-
56	Deposit Given	-	-	-	-	-	-	-	-	-	-	-	-
57	Repayment of Deposits Given	-	-	-	-	-	-	-	-	-	-	-	-
58	Purchase of Subscriptions to Investments	-	-	-	-	-	-	-	-	-	-	-	-
59	Redemption of Investment	-	-	-	-	-	-	-	-	-	-	-	-
60	Repayment of Capital on Reduction of Equity Share Capital	-	-	-	-	-	-	-	-	-	-	-	-
61	Cancellation of Equity Share on account of Capital Reduction	-	-	-	-	-	-	-	-	-	-	-	-
62	Advances received from customers	-	-	-	-	-	-	-	-	-	-	-	-
63	Given on behalf of a Subsidiary	-	-	-	-	-	-	-	-	-	-	-	-
64	Given on behalf of the Company by Holding Company	-	-	-	-	-	-	-	-	-	-	-	-
65	Advance given during the year	-	-	-	-	-	-	-	-	-	-	-	-
66	Advances refunded to customer	-	-	-	-	-	-	-	-	-	-	-	-
67	Share application money paid	-	-	-	-	-	-	-	-	-	-	-	-

₹ In Lakhs

	B	B	B	B	B	B	B	B	B	B	B	B	B
	Next Gen Publishing Limited	Relationship Properties Private Limited	Samalpatti Power Company Private Limited	Shapoorji Pallonji Infra-structure Capital Company Private Limited	Shapoorji Pallonji Engineering and Construction Private Limited	Shapoorji Infra-structure Private Limited	Shapoorji Pallonji Energy Private Limited (formerly known as Shapoorji Pallonji Oil & Gas Pvt. Ltd.)	Sterling and Wilson Solar Limited	Sterling and Wilson Private Limited	SP Fabricators Private Limited	Sterling Investment Corporation Private Limited	Shapoorji Pallonji Rural Solutions Private Limited	Shapoorji Pallonji Investment Advisors Pvt. Ltd.
	Balances												
1	Trade Payables and Capital Creditors	-	-	-	-	-	-	-	-	-	-	-	-
2	Advances received from customer	-	-	-	-	-	-	-	-	-	-	-	-
3	Interest accrued	-	-	-	-	-	-	-	-	-	-	-	-
4	Trade Receivables	***	***	-	***	-	***	***	-	-	-	-	-
5	Contractually reimbursable expense	-	-	-	-	-	-	-	-	-	-	-	-
6	Preference Shares classified as compound financial instrument	-	-	-	-	-	-	-	-	-	-	-	-
7	Long Term Loans and Advances	-	-	-	-	-	-	-	-	-	-	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

₹ In Lakhs

	B	B	B	B	B	B	B	B	B	B	B	B	B
	Next Gen Publishing Limited	Relationship Properties Private Limited	Samalpatti Power Company Private Limited	Shapoorji Pallonji Infrastructure Capital Private Limited	Shapoorji Pallonji Engineering and Construction Private Limited	Shapoorji Infrastructure Private Limited	Shapoorji Pallonji Energy Private Limited (formerly known as Shapoorji Pallonji Oil & Gas Pvt. Ltd.)	Sterling and Wilson Solar Limited	Sterling and Wilson Private Limited	SP Fabricators Private Limited	Sterling Investment Corporation Private Limited	Shapoorji Pallonji Rural Solutions Private Limited	Shapoorji Pallonji Investment Advisors Pvt. Ltd.
8	Provision for Doubtful Loans and Advances	-	-	-	-	-	-	-	-	-	-	-	-
9	Provision for Doubtful Trade Receivables	-	-	-	-	-	-	-	-	-	-	-	-
10	Unbilled Revenue	-	-	-	-	-	-	-	-	-	-	-	-
11	Deposits Payable	-	-	-	***	-	48.25	-	-	-	-	-	-
12	Other Payables	-	-	-	-	-	-	-	-	-	-	-	-
13	Deposits Receivable	-	-	-	-	-	-	-	-	-	-	-	-
14	Inter-corporate deposits receivable	-	-	-	-	-	-	-	-	-	-	-	-
15	Investment in Debentures	-	-	-	-	-	-	-	-	-	-	-	-
16	Guarantees Given	-	-	-	-	-	-	-	-	-	-	-	-
17	Guarantees Taken	-	-	-	-	-	-	-	-	-	-	-	-
18	Advance for Supply of Goods and Services and prepaid expenses	-	-	-	-	-	-	-	-	-	-	-	-
	Transactions												
	Purchases / Services												
19	Purchase of Fixed Assets/ Goods and Materials	-	-	-	-	-	-	-	-	-	-	-	-
20	Receiving of Services	-	-	-	-	-	-	-	-	-	-	-	-
21	Fixed Assets	-	-	-	-	-	-	-	-	-	-	-	-
22	Real Estate Development Expenses	-	-	-	-	-	-	-	-	-	-	-	-
	Sales / Services												
23	Goods and Materials	-	-	-	-	-	-	-	-	-	-	-	-
24	Services Rendered	-	-	-	-	-	-	-	-	-	-	-	-
25	Fixed Assets / Investments/ Business	-	-	-	-	-	-	-	-	-	-	-	-
26	Sales of Flats	-	-	-	-	-	-	-	-	-	-	-	-
	Expenses												
27	Rent	-	-	-	-	-	-	-	-	-	-	-	-
28	Repairs and Other Expenses	-	-	-	-	-	-	***	-	-	-	-	-
29	CSR Contribution	-	-	-	-	-	-	-	-	-	-	-	-
30	Travelling and conveyance expenses	-	-	-	-	-	-	-	-	-	-	-	-
31	Management Fees	-	-	-	-	-	-	-	-	-	-	-	-
32	Legal and professional charges	-	-	-	-	-	-	-	-	-	-	-	-
33	Transportation, freight, handling and other charges	-	-	-	-	-	-	-	-	-	-	-	-
34	Recovery of Expenses	-	-	-	-	-	-	-	-	-	-	-	-
35	Dividend Paid	-	-	-	-	-	-	-	-	-	-	-	-
36	Interest Paid	-	-	-	-	-	-	-	-	-	-	-	-
37	Project Management Consultancy Expense	-	-	-	-	-	-	-	-	-	-	-	-
38	Brokerage and Commission Charges	-	-	-	-	-	-	-	-	-	-	-	-
39	Balances written off loans and advances / Trade receivable	-	-	-	-	-	-	-	-	-	-	-	-
40	Remuneration	-	-	-	-	-	-	-	-	-	-	-	-
41	Miscellaneous expenses	-	-	-	-	-	-	-	-	-	-	-	-
42	Selling & Distribution Expenses	-	-	-	-	-	-	-	-	-	-	-	-
43	Advertisement and sales promotion	-	-	-	-	-	-	-	-	-	-	-	-
	Income												
44	Rent and Other Service Charges	-	-	-	***	-	113.04	-	-	-	-	-	-
45	Dividend	-	-	-	-	-	-	-	-	-	-	-	-
46	Interest Received	-	-	-	-	-	-	-	-	-	-	-	-
47	Profit on sale / Diminution in the value of Investments / Sale of Assets	-	-	-	-	-	-	-	-	-	-	-	-
48	Profit on sale of Business	-	-	-	-	-	-	-	-	-	-	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

₹ In Lakhs

		B	B	B	B	B	B	B	B	B	B	B	B	
		Next Gen Publishing Limited	Relationship Properties Private Limited	Samalpatti Power Company Private Limited	Shapoorji Pallonji Infrastructure Capital Private Limited	Shapoorji Pallonji Engineering and Construction Private Limited	Shapoorji Infrastructure Private Limited	Shapoorji Pallonji Energy Private Limited (formerly known as Shapoorji Pallonji Oil & Gas Pvt. Ltd.)	Sterling and Wilson Solar Limited	Sterling and Wilson Private Limited	SP Fabricators Private Limited	Sterling Investment Corporation Private Limited	Shapoorji Pallonji Rural Solutions Private Limited	Shapoorji Pallonji Investment Advisors Pvt. Ltd.
49	Guarantee Commission	-	-	-	-	-	-	-	-	-	-	-	-	-
50	Miscellaneous Income	-	-	-	-	-	-	-	-	-	-	-	-	-
	Other Receipts													
51	Other Reimbursements (Receipts)	-	-	-	-	-	-	-	-	-	-	-	-	-
52	Other Reimbursements (Payments)	-	-	-	-	-	-	-	-	-	-	-	-	-
	Finance													
53	Inter-corporate deposits given	-	-	-	-	-	-	-	-	-	-	-	-	-
54	Inter-corporate deposits taken	-	-	-	-	-	-	-	-	-	-	-	-	-
55	Repayment of Deposits Taken	-	-	-	-	-	-	-	-	-	-	-	-	-
56	Deposit Given	-	-	-	-	-	-	-	-	-	-	-	-	-
57	Repayment of Deposits Given	-	-	-	-	-	-	-	-	-	-	-	-	-
58	Purchase of Subscriptions to Investments	-	-	-	-	-	-	-	-	-	-	-	-	-
59	Redemption of Investment	-	-	-	-	-	-	-	-	-	-	-	-	-
60	Repayment of Capital on Reduction of Equity Share Capital	-	-	-	-	-	-	-	-	-	-	-	-	-
61	Cancellation of Equity Share on account of Capital Reduction	-	-	-	-	-	-	-	-	-	-	-	-	-
62	Advances received from customers	-	-	-	-	-	-	-	-	-	-	-	-	-
63	Given on behalf of a Subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-
64	Given on behalf of the Company by Holding Company	-	-	-	-	-	-	-	-	-	-	-	-	-
65	Advance given during the year	-	-	-	-	-	-	-	-	-	-	-	-	-
66	Advances refunded to customer	-	-	-	-	-	-	-	-	-	-	-	-	-
67	Share application money paid	-	-	-	-	-	-	-	-	-	-	-	-	-

₹ In Lakhs

		B	B	B	B	B	B	B	B	C	C	C	D	
		Shapoorji Pallonji Shipping Services Limited	Shapoorji Pallonji Development Managers Private Limited	Grand View Estates Pvt Ltd	Paikar Real Estates Private Limited	United Motors (India) Private Limited	Conventry Properties Private Limited	Sd SVP Nagar Redevelopment Private Limited	Stonesteel Prefab Private Limited	Shapoorji Pallonji Real Estate Private Limited	Neuvo Consultancy Service Limited	Euro P2P Direct (Thailand) Co.Limited	Shapoorji Pallonji Forbes Shipping Limited	Aquaignis Technologies Private Limited (Joint Venture of Eureka Forbes Limited)
	Balances													
1	Trade Payables and Capital Creditors	-	-	-	***	-	-	-	-	450.46	-	-	-	-
2	Advances received from customer	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Interest accrued	-	***	-	-	-	-	-	-	-	-	-	-	-
4	Trade Receivables	-	***	-	-	-	***	14.79	15.12	***	***	-	-	-
5	Contractually reimbursable expense	-	-	-	214.22	-	-	-	-	-	-	-	-	-
6	Preference Shares classified as compound financial instrument	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Long Term Loans and Advances	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Provision for Doubtful Loans and Advances	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Provision for Doubtful Trade Receivables	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Unbilled Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Deposits Payable	-	200.00	-	-	-	-	-	-	-	-	-	-	-
12	Other Payables	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Deposits Receivable	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Inter-corporate deposits receivable	-	-	-	-	-	-	-	-	-	-	-	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

₹ In Lakhs

	B	B	B	B	B	B	B	B	B	B	C	C	C	D
	Shapooji Pallonji Shipping Services Limited	Shapoorji Pallonji Development Managers Private Limited	Grand View Estates Pvt Ltd	Paikar Real Estates Private Limited	United Motors (India) Private Limited	Con-ventry Properties Private Limited	Sd SVP Nagar Redevelopment Private Limited	Ston-esteel Prefab Private Limited	Shapoorji Pallonji Real Estate Private Limited	Neuvo Con-sultancy Service Limited	Euro P2P Direct (Thailand) Co.Limited	Shapoorji Pallonji Forbes Shipping Limited	Aquaignis Technologies Private Limited (Joint Venture of Eureka Forbes Limited)	
15	Investment in Debentures	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Guarantees Given	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Guarantees Taken	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Advance for Supply of Goods and Services and prepaid expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
	Transactions													
	Purchases / Services													
19	Purchase of Fixed Assets/ Goods and Materials	-	-	-	-	-	-	-	-	-	-	-	-	-
20	Receiving of Services	-	-	-	-	-	-	-	-	-	-	-	-	-
21	Fixed Assets	-	-	-	-	-	-	-	-	-	-	-	-	-
22	Real Estate Development Expenses	-	-	-	-	-	-	-	-	646.03	-	-	-	-
	Sales / Services													
23	Goods and Materials	-	-	-	-	-	-	-	-	-	-	-	-	-
24	Services Rendered	-	-	-	-	-	-	-	-	-	-	-	-	-
25	Fixed Assets / Investments/ Business	-	-	-	-	-	-	-	-	-	-	-	-	-
26	Sales of Flats	-	-	-	-	-	-	-	-	-	-	-	-	-
	Expenses													
27	Rent	-	-	-	-	-	-	-	-	-	-	-	-	-
28	Repairs and Other Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
29	CSR Contribution	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Travelling and conveyance expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
31	Management Fees	-	-	-	-	-	-	-	-	-	-	-	-	-
32	Legal and professional charges	-	-	-	-	-	-	-	-	-	-	-	-	-
33	Transportation, freight, handling and other charges	-	-	-	-	-	-	-	-	-	-	-	-	-
34	Recovery of Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
35	Dividend Paid	-	-	-	-	-	-	-	-	-	-	-	-	-
36	Interest Paid	-	30.00	-	-	-	-	-	-	-	-	-	55.69	-
37	Project Management Consultancy Expense	-	-	-	-	-	-	-	-	-	-	-	-	-
38	Brokerage and Commission Charges	-	-	-	-	-	-	-	-	-	-	-	-	-
39	Balances written off loans and advances / Trade receivable	-	-	-	-	-	-	-	-	-	-	-	-	-
40	Remuneration	-	-	-	-	-	-	-	-	-	-	-	-	-
41	Miscellaneous expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
42	Selling & Distribution Expenses	-	-	-	-	-	-	-	-	110.50	-	-	-	-
43	Advertisement and sales promotion	-	-	-	-	-	-	-	-	-	-	-	-	-
	Income													
44	Rent and Other Service Charges	-	-	-	-	-	-	-	-	-	-	-	***	-
45	Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-
46	Interest Received	-	-	-	-	-	-	-	-	-	-	-	-	-
47	Profit on sale / Diminution in the value of Investments / Sale of Assets	-	-	-	-	-	-	-	-	-	-	-	-	-
48	Profit on sale of Business	-	-	-	-	-	-	-	-	-	-	-	-	-
49	Guarantee Commission	-	-	-	-	-	-	-	-	-	-	-	-	-
50	Miscellaneous Income	-	-	-	-	-	-	-	-	-	-	-	1.35	-
	Other Receipts													
51	Other Reimbursements (Receipts)	-	-	-	72.68	***	-	-	-	-	-	-	-	-
52	Other Reimbursements (Payments)	-	-	-	129.89	-	-	-	-	-	65.48	-	***	-
	Finance													
53	Inter-corporate deposits given	-	-	-	-	-	-	-	-	-	-	-	-	-
54	Inter-corporate deposits taken	-	-	-	-	-	-	-	-	-	-	-	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

₹ In Lakhs

	B	B	B	B	B	B	B	B	B	C	C	C	D
	Shapooji Pallonji Shipping Services Limited	Shapoorji Pallonji Development Managers Private Limited	Grand View Estates Pvt Ltd	Paikar Real Estates Private Limited	United Motors (India) Private Limited	Con-ventry Properties Private Limited	Sd SVP Nagar Redevelopment Private Limited	Ston-esteel Prefab Private Limited	Shapoorji Pallonji Real Estate Private Limited	Neuvo Con-sultancy Service Limited	Euro P2P Direct (Thailand) Co.Lim-ited	Shapoorji Pallonji Forbes Shipping Limited	Aquaignis Tech-nologies Private Limited (Joint Venture of Eureka Forbes Limited)
55	Repayment of Deposits Taken	-	-	-	-	-	-	-	-	-	-	2,200.00	-
56	Deposit Given	-	-	-	-	-	-	-	-	-	-	-	-
57	Repayment of Deposits Given	-	-	-	-	-	-	-	-	-	-	-	-
58	Purchase of Subscriptions to Investments	-	-	-	-	-	-	-	-	-	-	-	-
59	Redemption of Investment	-	-	-	-	-	-	-	-	-	-	-	-
60	Repayment of Capital on Reduction of Equity Share Capital	-	-	-	-	-	-	-	-	-	-	-	-
61	Cancellation of Equity Share on account of Capital Reduction	-	-	-	-	-	-	-	-	-	-	-	-
62	Advances received from customers	-	-	-	-	-	-	-	-	-	-	-	-
63	Given on behalf of a Subsidiary	-	-	-	-	-	-	-	-	-	-	-	-
64	Given on behalf of the Company by Holding Company	-	-	-	-	-	-	-	-	-	-	-	-
65	Advance given during the year	-	-	-	-	-	-	-	-	-	-	-	-
66	Advances refunded to customer	-	-	-	-	-	-	-	-	-	-	-	-
67	Share application money paid	-	-	-	-	-	-	-	-	-	-	-	-

₹ In Lakhs

	D	D	D	D	D	D	E	E	E	E	E
	Edumetry Inc.	Forbes Aquatech Limited (Joint venture of Eureka Forbes Limited)	Forbes Bumi Armada Limited	Forbes MACSA Private Limited	Forbes Concept Hospitality Services Pvt Ltd	Infinite Water Solutions Private Limited (Joint venture of Eureka Forbes Limited)	Armada Madura EPC Limited	Transton-nelstroy Afcons Joint Venture	M/s G.S. Enterprise	Joyville Shapoorji Housing Private Limited	SD Cor-poration Private Limited
	Balances										
1	Trade Payables and Capital Creditors	-	-	-	-	-	-	-	-	-	-
2	Advances received from customer	-	-	-	-	-	-	-	-	-	-
3	Interest accrued	-	-	-	-	-	-	-	-	-	-
4	Trade Receivables	-	-	-	-	-	-	-	-	-	25.23
5	Contractually reimbursable expense	-	-	-	-	-	-	-	-	-	-
6	Preference Shares classified as compound financial instrument	-	-	-	-	-	-	-	-	-	-
7	Long Term Loans and Advances	-	-	-	-	-	-	-	-	-	-
8	Provision for Doubtful Loans and Advances	-	-	-	-	18.19	-	-	-	-	-
9	Provision for Doubtful Trade Receivables	-	-	-	-	18.19	-	-	-	-	-
10	Unbilled Revenue	-	-	-	-	-	-	-	-	-	-
11	Deposits Payable	-	-	-	-	-	-	-	-	-	-
12	Other Payables	-	-	-	-	-	-	-	-	-	-
13	Deposits Receivable	-	-	-	-	18.19	-	-	-	-	-
14	Inter-corporate deposits receivable	-	-	-	-	-	-	-	-	-	-
15	Investment in Debentures	-	-	-	-	-	-	-	-	-	-
16	Guarantees Given	-	-	-	-	-	-	-	-	-	-
17	Guarantees Taken	-	-	-	-	-	-	-	-	-	-
18	Advance for Supply of Goods and Services and prepaid expenses	-	-	-	-	-	-	-	-	-	-
	Transactions										
	Purchases / Services										
19	Purchase of Fixed Assets/ Goods and Materials	-	-	-	-	-	-	-	-	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

₹ In Lakhs

	D	D	D	D	D	D	E	E	E	E	E
	Edumetry Inc.	Forbes Aquatech Limited (Joint venture of Eureka Forbes Limited)	Forbes Bumi Armada Limited	Forbes MACSA Private Limited	Forbes Concept Hospitality Services Pvt Ltd	Infinite Water Solutions Private Limited (Joint venture of Eureka Forbes Limited)	Armada Madura EPC Limited	Transtonelestroy Afcons Joint Venture	M/s G.S. Enterprise	Joyville Shapoorji Housing Private Limited	SD Corporation Private Limited
20	Receiving of Services	-	-	-	-	-	-	-	-	-	-
21	Fixed Assets	-	-	-	-	-	-	-	-	-	-
22	Real Estate Development Expenses	-	-	-	-	-	-	-	-	-	-
	Sales / Services										
23	Goods and Materials	-	-	-	-	-	-	-	-	-	-
24	Services Rendered	-	-	-	-	-	-	-	-	-	-
25	Fixed Assets / Investments/ Business	-	-	-	2.28	-	-	-	-	-	-
26	Sales of Flats	-	-	-	-	-	-	-	-	-	-
	Expenses										
27	Rent	-	-	-	-	-	-	-	-	-	-
28	Repairs and Other Expenses	-	-	-	-	-	-	-	-	-	-
29	CSR Contribution	-	-	-	-	-	-	-	-	-	-
30	Travelling and conveyance expenses	-	-	-	-	-	-	-	-	-	-
31	Management Fees	-	-	-	-	-	-	-	-	-	-
32	Legal and professional charges	-	-	-	-	-	-	-	-	-	-
33	Transportation, freight, handling and other charges	-	-	-	-	-	-	-	-	-	-
34	Recovery of Expenses	-	-	-	-	-	-	-	-	-	-
35	Dividend Paid	-	-	-	-	-	-	-	-	-	-
36	Interest Paid	-	-	-	-	-	-	-	-	-	-
37	Project Management Consultancy Expense	-	-	-	-	-	-	-	-	-	-
38	Brokerage and Commission Charges	-	-	-	-	-	-	-	-	-	-
39	Balances written off loans and advances / Trade receivable	-	-	-	-	-	-	-	-	-	-
40	Remuneration	-	-	-	-	-	-	-	-	-	-
41	Miscellaneous expenses	-	-	-	-	-	-	-	-	-	-
42	Selling & Distribution Expenses	-	-	-	-	-	-	-	-	-	-
43	Advertisement and sales promotion	-	-	-	-	-	-	-	-	-	-
	Income										
44	Rent and Other Service Charges	-	-	***	***	-	-	-	-	-	-
45	Dividend	-	-	-	-	-	-	-	-	-	-
46	Interest Received	-	-	-	-	-	-	-	-	-	-
47	Profit on sale / Diminution in the value of Investments / Sale of Assets	-	-	-	-	1.01	-	-	-	-	-
48	Profit on sale of Business	-	-	-	-	-	-	-	-	-	-
49	Guarantee Commission	-	-	-	-	-	-	-	-	-	-
50	Miscellaneous Income	-	-	-	-	-	-	-	-	-	-
	Other Receipts										
51	Other Reimbursements (Receipts)	-	-	-	***	-	-	-	-	-	-
52	Other Reimbursements (Payments)	-	-	-	-	-	-	-	-	-	-
	Finance										
53	Inter-corporate deposits given	-	-	-	-	-	-	-	-	-	-
54	Inter-corporate deposits taken	-	-	-	-	-	-	-	-	-	-
55	Repayment of Deposits Taken	-	-	-	-	-	-	-	-	-	-
56	Deposit Given	-	-	-	-	-	-	-	-	-	-
57	Repayment of Deposits Given	-	-	-	-	-	-	-	-	-	-
58	Purchase of Subscriptions to Investments	-	-	-	-	-	-	-	-	-	-
59	Redemption of Investment	-	-	-	-	-	-	-	-	-	-
60	Repayment of Capital on Reduction of Equity Share Capital	-	-	-	-	-	-	-	-	-	-
61	Cancellation of Equity Share on account of Capital Reduction	-	-	-	-	-	-	-	-	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

₹ In Lakhs

	D	D	D	D	D	D	E	E	E	E	E
	Edumetry Inc.	Forbes Aquatech Limited (Joint venture of Eureka Forbes Limited)	Forbes Bumi Armada Limited	Forbes MACSA Private Limited	Forbes Concept Hospitality Services Pvt Ltd	Infinite Water Solutions Private Limited (Joint venture of Eureka Forbes Limited)	Armada Madura EPC Limited	Transtonelestroy Afcons Joint Venture	M/s G.S. Enterprise	Joyville Shapoorji Housing Private Limited	SD Corporation Private Limited
62	Advances received from customers	-	-	-	-	-	-	-	-	-	-
63	Given on behalf of a Subsidiary	-	-	-	-	-	-	-	-	-	-
64	Given on behalf of the Company by Holding Company	-	-	-	-	-	-	-	-	-	-
65	Advance given during the year	-	-	-	-	-	-	-	-	-	-
66	Advances refunded to customer	-	-	-	-	-	-	-	-	-	-
67	Share application money paid	-	-	-	250.00	-	-	-	-	-	-

₹ In Lakhs

	E	E	E	E	E	F	F	F	F	F	F
	Shapoorji Pallonji Finance Private Limited	SP Armada Oil Exploration Private Limited	Shapoorji Pallonji Armada Oil & Gas Ser.Pvt. Ltd	HPCL Shapoorji Energy Private Limited	Shapoorji Pallonji Bumi Armada Offshore Limited	Managing Director, Mr. Mahesh Tahilyani	Shapoorji P Mistry	Pallonji Shapoorji Mistry	Managing Director, Mr. Ashok Barat	Executive Vice Chairman, Mr. S. L. Goklaney (upto 30.09.2017)	Managing Director Mr. Marzin R. Shroff (wef 27.06.2017)
	Balances										
1	Trade Payables and Capital Creditors	-	-	-	-	-	-	-	-	-	-
2	Advances received from customer	-	-	-	-	-	-	-	-	-	-
3	Interest accrued	-	-	-	-	-	-	-	-	-	-
4	Trade Receivables	-	-	-	***	-	-	-	-	-	-
5	Contractually reimbursable expense	-	-	-	-	-	-	-	-	-	-
6	Preference Shares classified as compound financial instrument	-	-	-	-	-	-	-	-	-	-
7	Long Term Loans and Advances	-	-	-	-	-	-	-	-	-	-
8	Provision for Doubtful Loans and Advances	-	-	-	-	-	-	-	-	-	-
9	Provision for Doubtful Trade Receivables	-	-	-	-	-	-	-	-	-	-
10	Unbilled Revenue	-	-	-	-	-	-	-	-	-	-
11	Deposits Payable	-	-	-	-	-	-	-	-	-	-
12	Other Payables	-	-	-	-	-	-	-	-	-	-
13	Deposits Receivable	-	-	-	-	-	-	-	-	-	-
14	Inter-corporate deposits receivable	-	-	-	-	-	-	-	-	-	-
15	Investment in Debentures	-	-	-	-	-	-	-	-	-	-
16	Guarantees Given	-	-	-	-	-	-	-	-	-	-
17	Guarantees Taken	-	-	-	-	-	-	-	-	-	-
18	Advance for Supply of Goods and Services and prepaid expenses	-	-	-	-	-	-	-	-	-	-
	Transactions										
	Purchases / Services										
19	Purchase of Fixed Assets/ Goods and Materials	-	-	-	-	-	-	-	-	-	-
20	Receiving of Services	-	-	-	-	-	-	-	-	-	-
21	Fixed Assets	-	-	-	-	-	-	-	-	-	-
22	Real Estate Development Expenses	-	-	-	-	-	-	-	-	-	-
	Sales / Services										
23	Goods and Materials	-	-	-	-	-	-	-	-	-	-
24	Services Rendered	-	-	-	-	-	-	-	-	-	-
25	Fixed Assets / Investments/ Business	-	-	-	-	-	-	-	-	-	-
26	Sales of Flats	-	-	-	-	-	-	-	-	-	-
	Expenses										
27	Rent	-	-	-	-	-	-	-	-	-	-
28	Repairs and Other Expenses	-	-	-	-	-	-	-	-	-	-
29	CSR Contribution	-	-	-	-	-	-	-	-	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

₹ In Lakhs

	E	E	E	E	E	F	F	F	F	F	F
	Shapoorji Pallonji Finance Private Limited	SP Armada Oil Exploration Private Limited	Shapoorji Pallonji Armada Oil & Gas Ser.Pvt. Ltd	HPCL Shapoorji Energy Private Limited	Shapoorji Pallonji Bumi Armada Offshore Limited	Managing Director, Mr. Mahesh Tahilyani	Shapoor P Mistry	Pallon Shapoor Mistry	Managing Director, Mr. Ashok Barat	Executive Vice Chairman, Mr. S. L. Goklaney (upto 30.09.2017)	Managing Director Mr. Marzin R. Shroff (wef 27.06.2017)
30	Travelling and conveyance expenses	-	-	-	-	-	-	-	-	-	-
31	Management Fees	-	-	-	-	-	-	-	-	-	-
32	Legal and professional charges	-	-	-	-	-	-	-	-	-	-
33	Transportation, freight, handling and other charges	-	-	-	-	-	-	-	-	-	-
34	Recovery of Expenses	-	-	-	-	-	-	-	-	-	-
35	Dividend Paid	-	-	-	-	-	-	-	-	-	-
36	Interest Paid	-	-	-	-	-	-	-	-	-	-
37	Project Management Consultancy Expense	-	-	-	-	-	-	-	-	-	-
38	Brokerage and Commission Charges	-	-	-	-	-	-	-	-	-	-
39	Balances written off loans and advances / Trade receivable	-	-	-	-	-	-	-	-	-	-
40	Remuneration	-	-	-	-	318.63	-	-	-	-	-
41	Miscellaneous expenses	-	-	-	-	-	-	-	-	-	-
42	Selling & Distribution Expenses	-	-	-	-	-	-	-	-	-	-
43	Advertisement and sales promotion	-	-	-	-	-	-	-	-	-	-
	Income										
44	Rent and Other Service Charges	-	-	-	-	-	-	-	-	-	-
45	Dividend	-	-	-	-	-	-	-	-	-	-
46	Interest Received	-	-	-	-	-	-	-	-	-	-
47	Profit on sale / Diminution in the value of Investments / Sale of Assets	-	-	-	-	-	-	-	-	-	-
48	Profit on sale of Business	-	-	-	-	-	-	-	-	-	-
49	Guarantee Commission	-	-	-	-	-	-	-	-	-	-
50	Miscellaneous Income	-	-	-	-	-	-	-	-	-	-
	Other Receipts										
51	Other Reimbursements (Receipts)	-	-	-	-	-	-	-	-	-	-
52	Other Reimbursements (Payments)	-	-	-	-	-	-	-	-	-	-
	Finance										
53	Inter-corporate deposits given	-	-	-	-	-	-	-	-	-	-
54	Inter-corporate deposits taken	-	-	-	-	-	-	-	-	-	-
55	Repayment of Deposits Taken	-	-	-	-	-	-	-	-	-	-
56	Deposit Given	-	-	-	-	-	-	-	-	-	-
57	Repayment of Deposits Given	-	-	-	-	-	-	-	-	-	-
58	Purchase of Subscriptions to Investments	-	-	-	-	-	-	-	-	-	-
59	Redemption of Investment	-	-	-	-	-	-	-	-	-	-
60	Repayment of Capital on Reduction of Equity Share Capital	-	-	-	-	-	-	-	-	-	-
61	Cancellation of Equity Share on account of Capital Reduction	-	-	-	-	-	-	-	-	-	-
62	Advances received from customers	-	-	-	-	-	-	-	-	-	-
63	Given on behalf of a Subsidiary	-	-	-	-	-	-	-	-	-	-
64	Given on behalf of the Company by Holding Company	-	-	-	-	-	-	-	-	-	-
65	Advance given during the year	-	-	-	-	-	-	-	-	-	-
66	Advances refunded to customer	-	-	-	-	-	-	-	-	-	-
67	Share application money paid	-	-	-	-	-	-	-	-	-	-

For details of investments in associates and joint ventures refer Notes 10A and 10B

Terms and conditions:-

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

48. Related party disclosures (contd.)

Previous Year

(b) transactions/ balances with above mentioned related parties

		₹ In Lakhs						
		Parties in A above	Parties in B above	Parties in C above	Parties in D above	Parties in E above	Parties in F above	Total
Balances								
1	Trade Payables and Capital Creditors	936.86	4.57	371.47	-	-	-	1,312.90
2	Advances received from customer	29.03	-	-	-	-	-	29.03
3	Interest accrued	2,184.08	145.17	101.70	-	-	-	2,430.95
4	Trade Receivables	54.13	199.17	10.74	-	72.24	-	336.28
5	Contractually reimbursable expense	-	8.02	-	-	-	-	8.02
6	Preference Shares classified as compound financial instrument	1,000.00	-	-	-	-	-	1,000.00
7	Provision for Doubtful Loans and Advances	-	-	-	-	-	-	-
8	Provision for Doubtful Trade Receivables	-	-	-	-	-	-	-
9	Deposits Payable	7,175.00	398.37	2,200.00	-	-	-	9,773.37
10	Other Payables	-	-	-	-	-	-	-
11	Inter-corporate deposits receivable	-	-	-	-	-	-	-
12	Guarantees Given	-	-	-	-	-	-	-
13	Guarantees Taken	-	-	-	-	-	-	-
14	Advance for Supply of Goods and Services and prepaid expenses	-	-	-	-	-	-	-
Transactions								
Purchases / Services								
15	Purchase of Fixed Assets/ Goods and Materials	-	-	-	-	-	-	-
16	Receiving of Services	8.66	-	-	-	-	-	8.66
17	Real Estate Development Expenses (pertains to amount Billed during the year)	2,440.40	-	516.27	-	-	-	2,956.67
Sales / Services								
18	Goods and Materials	2.80	33.70	539.92	-	1.45	-	577.87
19	Services Rendered	262.59	724.28	-	-	269.86	-	1,256.73
Expenses								
20	Repairs and Other Expenses	97.04	5.12	-	-	-	-	102.16
21	CSR Contribution	-	-	-	-	-	-	-
22	Travelling and conveyance expenses	-	33.12	-	-	-	-	33.12
23	Management Fees	601.94	-	-	-	-	-	601.94
24	Legal and professional charges	105.50	-	-	-	-	-	105.50
25	Recovery of Expenses	-	-	-	-	-	-	-
26	Dividend Paid	-	-	-	-	-	-	-
27	Interest Paid	868.64	151.72	20.55	-	243.45	-	1,284.38
28	Balances written off loans and advances /Trade receivable	-	-	857.74	-	-	-	857.74
29	Remuneration	-	-	-	-	-	639.10	639.10
30	Miscellaneous expenses	0.05	-	-	-	-	-	0.05
31	Selling & Distribution Expenses	-	-	144.46	-	-	-	144.46
32	Advertisement and sales promotion	-	-	-	-	-	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

₹ In Lakhs

		Parties in A above	Parties in B above	Parties in C above	Parties in D above	Parties in E above	Parties in F above	Total
	Income							
33	Rent and Other Service Charges	20.47	120.10	1.85	-	0.52	-	142.94
34	Interest Received	-	1.73	-	-	-	-	1.73
35	Guarantee Commission	-	-	0.44	-	-	-	0.44
36	Miscellaneous Income	-	-	0.45	-	-	-	0.45
	Other Receipts							
37	Other Reimbursements (Receipts)	-	88.02	-	-	-	-	88.02
38	Other Reimbursements (Payments)	-	1.20	139.84	-	-	-	141.04
	Finance							
39	Inter-corporate deposits given	-	500.00	-	-	-	-	500.00
40	Inter-corporate deposits taken	-	-	-	-	-	-	-
41	Repayment of Deposits Taken	-	-	-	-	-	-	-
42	Repayment of Capital on Reduction of Equity Share Capital	-	28.88	-	-	57.75	-	86.63
43	Advances received from customers	-	166.31	-	-	-	-	166.31

For details of investments in associates and joint ventures refer Notes 10A and 10B

Terms and conditions:-

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

48. Related party disclosures (contd.)

Previous Year

(c) transactions/ balances with above mentioned related parties

₹ In Lakhs

	A	B	B	B	B	B	B	B	B	B	B	B	B
	Shapoorji Pallonji and Company Private Limited	Afcons Infra- structure Limited	Eureka Forbes Institute of Envi- ronment (Trust)	ESPI Holding Mau- ritius Limited	Forvol Interna- tional Services Limited	Simar Port Pvt. Ltd	Jaykali Devel- opers Private Limited	Gokak Textiles Limited	Grand View Estates Pvt Ltd	Gossip Prop- erties Private Limited	Next Gen Pub- lishing Limited	Rela- tionship Prop- erties Private Limited	Shapoorji Pallonji Real Estate Private Limited
Balances													
1	Trade Payables and Capital Creditors	936.86	-	-	-	***	-	-	-	-	-	-	-
2	Advances received from customer	29.03	-	-	-	-	-	-	-	-	-	-	-
3	Interest accrued	2,184.08	-	-	-	-	-	-	-	-	-	-	-
4	Trade Receivables	54.13	61.42	-	-	***	***	***	***	***	-	***	38.20
5	Contractually reimbursable expense	-	-	-	-	***	-	6.79	-	-	-	-	-
6	Preference Shares classified as compound financial instrument	1,000.00	-	-	-	-	-	-	-	-	-	-	-
7	Provision for Doubtful Loans and Advances	-	-	-	-	-	-	-	-	-	-	-	-
8	Provision for Doubtful Trade Receivables	-	-	-	-	-	-	-	-	-	-	-	-
9	Deposits Payable	7,175.00	-	-	***	-	-	-	-	-	-	-	-
10	Other Payables	-	-	-	-	-	-	-	-	-	-	-	-
11	Inter-corporate deposits receivable	-	-	-	-	-	-	-	-	-	-	-	-
12	Guarantees Given	-	-	-	-	-	-	-	-	-	-	-	-
13	Guarantees Taken	-	-	-	-	-	-	-	-	-	-	-	-
14	Advance for Supply of Goods and Services and prepaid expenses	-	-	-	-	-	-	-	-	-	-	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

₹ In Lakhs

	A	B	B	B	B	B	B	B	B	B	B	B	B
	Shapoorji Pallonji and Company Private Limited	Afcons Infra-structure Limited	Eureka Forbes Institute of Environment (Trust)	ESPI Holding Mauritius Limited	Forvol International Services Limited	Simar Port Pvt. Ltd	Jaykali Developers Private Limited	Gokak Textiles Limited	Grand View Estates Pvt Ltd	Gossip Properties Private Limited	Next Gen Publishing Limited	Relationship Properties Private Limited	Shapoorji Pallonji Real Estate Private Limited
Transactions													
Purchases / Services													
15	Purchase of Fixed Assets/ Goods and Materials	-	-	-	-	-	-	-	-	-	-	-	-
16	Receiving of Services	8.66	-	-	-	-	-	-	-	-	-	-	-
17	Real Estate Development Expenses (pertains to amount Billed during the year)	2,440.40	-	-	-	-	-	-	-	-	-	-	-
Sales / Services													
18	Goods and Materials	***	***	***	-	-	-	-	-	-	-	-	***
19	Services Rendered	262.59	421.54	***	-	***	***	***	-	***	***	-	***
Expenses													
20	Repairs and Other Expenses	97.04	-	-	-	-	-	-	-	-	-	-	-
21	CSR Contribution	-	-	-	-	-	-	-	-	-	-	-	-
22	Travelling and conveyance expenses	-	-	-	-	33.12	-	-	-	-	-	-	-
23	Management Fees	601.94	-	-	-	-	-	-	-	-	-	-	-
24	Legal and professional charges	105.50	-	-	-	-	-	-	-	-	-	-	-
25	Recovery of Expenses	-	-	-	-	-	-	-	-	-	-	-	-
26	Dividend Paid	-	-	-	-	-	-	-	-	-	-	-	-
27	Interest Paid	868.64	-	-	-	-	-	-	-	-	-	-	-
28	Balances written off loans and advances / Trade receivable	-	-	-	-	-	-	-	-	-	-	-	-
29	Remuneration	-	-	-	-	-	-	-	-	-	-	-	-
30	Miscellaneous expenses	0.05	-	-	-	-	-	-	-	-	-	-	-
31	Selling & Distribution Expenses	-	-	-	-	-	-	-	-	-	-	-	-
32	Advertisement and sales promotion	-	-	-	-	-	-	-	-	-	-	-	-
Income													
33	Rent and Other Service Charges	20.47	-	-	-	***	-	-	-	-	-	-	-
34	Interest Received	-	-	-	-	-	-	-	-	-	-	-	-
35	Guarantee Commission	-	-	-	-	-	-	-	-	-	-	-	-
36	Miscellaneous Income	-	-	-	-	-	-	-	-	-	-	-	-
Other Receipts													
37	Other Reimbursements (Receipts)	-	-	-	-	***	-	-	-	-	-	-	-
38	Other Reimbursements (Payments)	-	-	-	-	-	-	-	-	-	-	-	-
Finance													
39	Inter-corporate deposits given	-	-	-	-	-	-	-	-	-	-	-	-
40	Inter-corporate deposits taken	-	-	-	-	-	-	-	-	-	-	-	-
41	Repayment of Deposits Taken	-	-	-	-	-	-	-	-	-	-	-	-
42	Repayment of Capital on Reduction of Equity Share Capital	-	-	-	-	-	-	-	-	-	-	-	-
43	Advances received from customers	-	-	-	-	-	-	-	-	-	-	-	-

₹ In Lakhs

	B	B	B	B	B	B	B	B	B	B	B	C	C
	Shapoorji Pallonji Infra-structure Company Private Limited	Shapoorji Infra-structure Private Limited	Shapoorji Pallonji Oil & Gas Private Limited	Sterling and Wilson Solar Limited	Sterling and Wilson Private Limited	SP Fabricators Private Limited	Sterling Investment Corporation Private Limited	Shapoorji Pallonji Investment Advisors Pvt. Ltd.	Shapoorji Pallonji Development Managers Private Limited	Paikar Real Estates Private Limited	United Motors (India) Private Limited	Neuvo Consultancy Service Limited	Euro P2P Direct (Thailand) Co.Limited
Balances													
1	Trade Payables and Capital Creditors	-	-	-	-	-	-	-	-	-	-	-	-
2	Advances received from customer	-	-	-	-	-	-	-	-	-	-	371.47	-
3	Interest accrued	-	-	-	-	-	-	-	-	***	-	-	-
4	Trade Receivables	***	***	***	-	-	-	***	***	-	-	***	-
5	Contractually reimbursable expense	-	-	-	-	-	-	-	-	1.20	-	-	-
6	Preference Shares classified as compound financial instrument	-	-	-	-	-	-	-	-	-	-	-	-
7	Provision for Doubtful Loans and Advances	-	-	-	-	-	-	-	-	-	-	-	-
8	Provision for Doubtful Trade Receivables	-	-	-	-	-	-	-	-	-	-	-	-
9	Deposits Payable	***	-	***	-	-	-	-	***	-	-	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

₹ In Lakhs

	B	B	B	B	B	B	B	B	B	B	B	C	C
	Shapoorji Pallonji Infrastructure Capital Private Limited	Shapoorji Infrastructure Private Limited	Shapoorji Pallonji Oil & Gas Private Limited	Sterling and Wilson Solar Limited	Sterling and Wilson Private Limited	SP Fabricators Private Limited	Sterling Investment Corporation Private Limited	Shapoorji Pallonji Investment Advisors Pvt. Ltd.	Shapoorji Pallonji Development Managers Private Limited	Paikar Real Estates Private Limited	United Motors (India) Private Limited	Neuvo Consultancy Service Limited	Euro P2P Direct (Thailand) Co.Limited
10	Other Payables	-	-	-	-	-	-	-	-	-	-	-	-
11	Inter-corporate deposits receivable	-	-	-	-	-	-	-	-	-	-	-	-
12	Guarantees Given	-	-	-	-	-	-	-	-	-	-	-	-
13	Guarantees Taken	-	-	-	-	-	-	-	-	-	-	-	-
14	Advance for Supply of Goods and Services and prepaid expenses	-	-	-	-	-	-	-	-	-	-	-	-
	Transactions												
	Purchases / Services												
15	Purchase of Fixed Assets/ Goods and Materials	-	-	-	-	-	-	-	-	-	-	-	-
16	Receiving of Services	-	-	-	-	-	-	-	-	-	-	-	-
17	Real Estate Development Expenses (pertains to amount Billed during the year)	-	-	-	-	-	-	-	-	-	-	516.27	-
	Sales / Services												
18	Goods and Materials	-	-	-	***	-	-	-	-	-	-	-	539.92
19	Services Rendered	-	***	***	-	***	-	-	***	***	-	-	-
	Expenses												
20	Repairs and Other Expenses	-	-	-	***	-	***	-	-	-	-	-	-
21	CSR Contribution	-	-	-	-	-	-	-	-	-	-	-	-
22	Travelling and conveyance expenses	-	-	-	-	-	-	-	-	-	-	-	-
23	Management Fees	-	-	-	-	-	-	-	-	-	-	-	-
24	Legal and professional charges	-	-	-	-	-	-	-	-	-	-	-	-
25	Recovery of Expenses	-	-	-	-	-	-	-	-	-	-	-	-
26	Dividend Paid	-	-	-	-	-	-	-	-	-	-	-	-
27	Interest Paid	-	-	-	-	-	-	***	-	***	-	-	-
28	Balances written off loans and advances / Trade receivable	-	-	-	-	-	-	-	-	-	-	-	857.74
29	Remuneration	-	-	-	-	-	-	-	-	-	-	-	-
30	Miscellaneous expenses	-	-	-	-	-	-	-	-	-	-	-	-
31	Selling & Distribution Expenses	-	-	-	-	-	-	-	-	-	-	96.40	24.03
32	Advertisement and sales promotion	-	-	-	-	-	-	-	-	-	-	-	-
	Income												
33	Rent and Other Service Charges	***	-	114.00	-	-	-	-	-	-	***	-	-
34	Interest Received	-	-	-	-	1.73	-	-	-	-	-	-	-
35	Guarantee Commission	-	-	-	-	-	-	-	-	-	-	-	-
36	Miscellaneous Income	-	-	-	-	-	-	-	-	-	-	-	-
	Other Receipts												
37	Other Reimbursements (Receipts)	-	-	-	-	-	-	-	-	-	87.57	-	-
38	Other Reimbursements (Payments)	-	-	-	-	-	-	-	-	-	***	139.84	-
	Finance												
39	Inter-corporate deposits given	-	-	-	500.00	-	-	-	-	-	-	-	-
40	Inter-corporate deposits taken	-	-	-	-	-	-	-	-	-	-	-	-
41	Repayment of Deposits Taken	-	-	-	-	-	-	-	-	-	-	-	-
42	Repayment of Capital on Reduction of Equity Share Capital	-	-	-	-	-	-	28.88	-	-	-	-	-
43	Advances received from customers	-	-	-	-	-	-	-	-	-	166.31	-	-

₹ In Lakhs

	C	E	E	E	E	E	E	E	E	E	F	F
	Shapoorji Pallonji Forbes Shipping Limited	Armada Madura EPC Limited	Transtone-stroy Afcons Joint Venture	M/s G.S. Enterprise	Joyville Shapoorji Housing Private Limited	SD Corporation Private Limited	Shapoorji Pallonji Finance Private Limited	SP Armada Oil Exploration Private Limited	Shapoorji Pallonji Armada Oil & Gas Services Private Limited	Floreat Investments Private Ltd.	Managing Director, Mr. Mahesh Tahilyani	Managing Director and CEO of Eureka Forbes Limited, Mr. Marzin R. Shroff
	Balances											
1	Trade Payables and Capital Creditors	-	-	-	-	-	-	-	-	-	-	-
2	Advances received from customer	-	-	-	-	-	-	-	-	-	-	-
3	Interest accrued	***	-	-	-	-	-	-	-	-	-	-
4	Trade Receivables	-	-	-	-	39.67	***	***	***	-	-	-
5	Contractually reimbursable expense	-	-	-	-	-	-	-	-	-	-	-
6	Preference Shares classified as compound financial instrument	-	-	-	-	-	-	-	-	-	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

		₹ In Lakhs											
		C	E	E	E	E	E	E	E	E	E	F	F
		Shapoorji Pallonji Forbes Shipping Limited	Armada Madura EPC Limited	Transtone- nelstroy Afcons Joint Venture	M/s G.S. Enterprise	Joyville Shapoorji Housing Private Limited	SD Corporation Private Limited	Shapoorji Pallonji Finance Private Limited	SP Armada Oil Exploration Private Limited	Shapoorji Pallonji Armada Oil & Gas Services Private Limited	Floreat Investments Private Ltd.	Managing Director, Mr. Mahesh Tahilyani	Managing Director and CEO of Eureka Forbes Limited, Mr Marzin R. Shroff
7	Provision for Doubtful Loans and Advances	-	-	-	-	-	-	-	-	-	-	-	-
8	Provision for Doubtful Trade Receivables	-	-	-	-	-	-	-	-	-	-	-	-
9	Deposits Payable	2,200.00	-	-	-	-	-	-	-	-	-	-	-
10	Other Payables	-	-	-	-	-	-	-	-	-	-	-	-
11	Inter-corporate deposits receivable	-	-	-	-	-	-	-	-	-	-	-	-
12	Guarantees Given	-	-	-	-	-	-	-	-	-	-	-	-
13	Guarantees Taken	-	-	-	-	-	-	-	-	-	-	-	-
14	Advance for Supply of Goods and Services and prepaid expenses	-	-	-	-	-	-	-	-	-	-	-	-
Transactions													
Purchases / Services													
15	Purchase of Fixed Assets/ Goods and Materials	-	-	-	-	-	-	-	-	-	-	-	-
16	Receiving of Services	-	-	-	-	-	-	-	-	-	-	-	-
17	Real Estate Development Expenses (pertains to amount Billed during the year)	-	-	-	-	-	-	-	-	-	-	-	-
Sales / Services													
18	Goods and Materials	-	-	***	-	-	***	-	-	-	-	-	-
19	Services Rendered	-	-	-	-	-	***	***	***	161.40	-	-	-
Expenses													
20	Repairs and Other Expenses	-	-	-	-	-	-	-	-	-	-	-	-
21	CSR Contribution	-	-	-	-	-	-	-	-	-	-	-	-
22	Travelling and conveyance expenses	-	-	-	-	-	-	-	-	-	-	-	-
23	Management Fees	-	-	-	-	-	-	-	-	-	-	-	-
24	Legal and professional charges	-	-	-	-	-	-	-	-	-	-	-	-
25	Recovery of Expenses	-	-	-	-	-	-	-	-	-	-	-	-
26	Dividend Paid	-	-	-	-	-	-	-	-	-	-	-	-
27	Interest Paid	***	-	-	243.45	-	-	-	-	-	-	-	-
28	Balances written off loans and advances / Trade receivable	-	-	-	-	-	-	-	-	-	-	-	-
29	Remuneration	-	-	-	-	-	-	-	-	-	-	371.12	267.98
30	Miscellaneous expenses	-	-	-	-	-	-	-	-	-	-	-	-
31	Selling & Distribution Expenses	24.03	-	-	-	-	-	-	-	-	-	-	-
32	Advertisement and sales promotion	-	-	-	-	-	-	-	-	-	-	-	-
Income													
33	Rent and Other Service Charges	***	-	-	-	-	-	-	-	-	***	-	-
34	Interest Received	-	-	-	-	-	-	-	-	-	-	-	-
35	Guarantee Commission	0.44	-	-	-	-	-	-	-	-	-	-	-
36	Miscellaneous Income	0.45	-	-	-	-	-	-	-	-	-	-	-
Other Receipts													
37	Other Reimbursements (Receipts)	-	-	-	-	-	-	-	-	-	-	-	-
38	Other Reimbursements (Payments)	-	-	-	-	-	-	-	-	-	-	-	-
Finance													
39	Inter-corporate deposits given	-	-	-	-	-	-	-	-	-	-	-	-
40	Inter-corporate deposits taken	-	-	-	-	-	-	-	-	-	-	-	-
41	Repayment of Deposits Taken	-	-	-	-	-	-	-	-	-	-	-	-
42	Repayment of Capital on Reduction of Equity Share Capital	-	-	-	57.75	-	-	-	-	-	-	-	-
43	Advances received from customers	-	-	-	-	-	-	-	-	-	-	-	-

For details of investments in associates and joint ventures refer Notes 10A and 10B

Terms and conditions:-

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

48. Related party disclosures (contd.)

Parties in F :

Key Managerial Personnel Remuneration

Particulars	₹ In Lakhs	
	Year Ended 31 st Mar., 2023	Year Ended 31 st Mar., 2022
Short-term employee benefits	309.00	361.16
Post-employment benefits	8.13	7.21
Long-term employee benefits	1.50	2.75
	318.63	371.12

The above amounts do not include expenses for gratuity and leave encashment since actuarial valuation is carried out at an overall level.

Directors Sitting Fees:

Name	₹ In Lakhs	
	Year Ended 31 st Mar., 2023	Year Ended 31 st Mar., 2022
D. Sivanandhan	10.00	10.00
Shapoor P. Mistry	0.50	9.30
Jai L. Mavani	5.00	5.50
Mahesh Tahilyani	0.00	12.30
Rani Jadhav	5.50	5.00
Nikhil Bhatia	10.50	9.50
Total	31.50	51.60

Parties in G:

Contribution to Post Employment Benefit Plan:

Particulars	₹ In Lakhs	
	Year Ended 31 st Mar., 2023	Year Ended 31 st Mar., 2022
Forbes & Company Limited Employees Provident Fund	100.91	89.41
Eureka Forbes Limited Employees Gratuity Fund	-	184.01
Eureka Forbes Limited Employees Provident Fund	-	279.01
Eureka Forbes Limited Managing Staff Superannuation Scheme	-	128.95
	100.91	681.38

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

- 49 Forbes Technosys Limited (FTL), a wholly owned subsidiary, had issued 1,00,00,000, 0.1 % Cumulative Non Convertible Redeemable Participating Preference Shares of ₹10 each in an earlier year . The Preference Shares shall be redeemable at par upon the expiry of 20 years from date of allotment. The Preference Shares shall have right to dividend with Equity shareholders up to 8% after dividend of 0.1% has been paid to Equity shareholders and has voting right only for matters which directly affects the rights attached to Preference shares. Details of the same are as below:

Particulars	₹ In Lakhs	
	As at 31 st Mar., 2023	As at 31 st Mar., 2022
Proceeds from issue	10.00	1,000.00
Liability component at the date of issue	(1.06)	(105.58)
Less: Capital Reduction as per Composite Scheme of Arrangement (Liability)	-	104.52
Less: Capital Reduction as per Composite Scheme of Arrangement (Equity)	-	(990.00)
Equity Component	8.94	8.94
Liability Component (included in "Non-current borrowing" (refer Note 21))	1.06	1.06
Interest accrued as at the beginning of the year	3.00	239.99
Interest charged calculated at an effective interest rate	0.24	43.52
Less: Capital Reduction as per Composite Scheme of Arrangement	-	(280.51)
Interest accrued as at the end of the year (included in "Non-current borrowing" (refer Note 21))	3.24	3.00

- 50.1 Shapoorji Pallonji Forbes Shipping Limited (SPFSL), had issued 0%, 9,27,00,000 Redeemable Preference Shares of ₹ 10 each to the promoters on right basis in 2009 and 2010. Since no terms for redemption have been specified for these shares, they will be redeemed at par not later than 20 years from the date of issue as per the provisions of section 55 of the Companies Act, 2013 (erstwhile section 80 of the Companies Act, 1956).

Date of Allotment	Before capital reduction			After capital reduction		
	Number of Shares allotted	Date of redemption (Not later than)	Redemption terms	Number of Shares allotted	Date of redemption (Not later than)	Redemption terms
12-Aug-09	1,86,00,000	12-Aug-29	Redeemable at par	1,33,33,011	12-Aug-29	Redeemable at par
06-Nov-09	2,40,00,000	06-Nov-29	Redeemable at par	1,72,03,884	06-Nov-29	Redeemable at par
22-Mar-10	3,16,50,000	22-Mar-30	Redeemable at par	2,26,87,620	22-Mar-30	Redeemable at par
02-Jul-10	1,84,50,000	02-Jul-30	Redeemable at par	1,32,25,485	02-Jul-30	Redeemable at par
	9,27,00,000			6,64,50,000		

The said shares shall in the event of winding up, be entitled to rank as regards repayment of capital, in priority to equity shares but shall not be entitled to any further participation in profits or assets. The voting rights of the shareholders shall be in accordance with the provisions of section 47 of the Companies Act, 2013 (erstwhile section 87 of the Companies Act, 1956).

As the redeemable preference shares were issued at zero coupon, the same have been recognised at fair value being the present value of all future cash flows discounted using the prevailing rate of interest for a similar instrument, namely 12%, with a similar credit rating. The difference between the fair value of the said financial instrument as on the issue date and its fair value adjusted for amortisation of interest cost upto the date of transition have been recognised in Other Equity as on the date of transition.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

Particulars	₹ In Lakhs	
	As at 31 st Mar., 2023	As at 31 st Mar., 2022
Proceeds of issue	-	9,270.00
Liability component at the date of issue	-	959.50
Less: Adjustment on account of Capital Reduction	-	(2,291.61)
Less: Derecognised on loss of control	-	(6,018.89)
Equity Component (Classified as Non-Controlling Interest)	-	-
Liability Component on date of issue	-	959.50
Less: Adjustment on account of Capital Reduction	-	(271.70)
Less: Derecognised on loss of control	-	(687.80)
Liability Component (included in "Non-current borrowing" (refer Note 21))	-	-
Interest accrued as at the beginning of the year	-	2,455.22
Interest charged calculated at an effective interest rate	-	365.17
Write back of accrued interest on Capital Reduction of Preference Shares	-	(792.71)
Less: Derecognised on loss of control	-	(2,027.68)
Interest accrued as at the end of the year (included in "Non-current borrowing" (Refer Note 21))	-	-

As per NCLT order dated 21st Jan, 2022 on Capital reduction, Notional Interest reversal of ₹ 792.71 lakhs on debt portion reduction has been consolidated as an Exceptional loss in previous year with pay out at ₹ 0.10 per share each for 6,03,75,000 no. of Equity Share of ₹ 10 each and for 2,62,50,000 no. of Preference share of ₹ 10 each.

50.2 During the year ended 31st March 2022, capital reduction pursuant to the Composite Scheme of Arrangement resulted into extinguishment of liability portion of the composite financial instruments NCRPS as at Appointed Date. Accordingly, the gain on such extinguishment of ₹ 379.97 Lakhs have been presented as exceptional item. (Also Refer Note 36)

51 Non-controlling interests

Set out below is summarised financial information for subsidiaries that has non-controlling interests that are material to the Group. The amounts disclosed below are before intercompany eliminations:

Summarised Balance Sheet	₹ In Lakhs	
	31 st March, 2023	28 th February, 2022
Current Assets	-	13,627.61
Current Liabilities	-	1,416.66
Net Current Assets	-	12,210.95
Non-Current Assets	-	3,901.57
Non-Current Liabilities	-	8,087.31
Net Non-Current Assets	-	(4,185.74)
Net Assets	-	8,025.21
Accumulated Non-Controlling Interest	-	6,018.88

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

Summarised Statement of Profit and Loss	₹ In Lakhs	
	Shapoorji Pallonji Forbes Shipping Limited	
	31 st March, 2023	28 th February, 2022
Total Revenue	-	4,786.97
Profit/(Loss) after tax for the year	-	(69.96)
Other Comprehensive Income / (Loss)	-	-
Total Comprehensive Income Profit/ (Loss) allocated to Non-Controlling Interest	-	(69.96)
	-	(52.47)

Summarised Statement of Cash Flow	₹ In Lakhs	
	Shapoorji Pallonji Forbes Shipping Limited	
	31 st March, 2023	31 st March, 2022
Cash flow from operating activities	-	2,241.92
Cash flow from investing activities	-	(2,924.57)
Cash flow from financing activities	-	(1,275.55)
Net increase/ (decrease) in cash and cash equivalents	-	(1,958.20)

Also refer note 67.

52 The Company and Paikar Real Estates Private Limited (hereinafter known as "PREPL") (a fellow subsidiary) are each independently entitled to 50% of the saleable area, 50% of the rights in the permissible Floor Space Index and for their own individual development and consequent sale of their respective individual flats for the real estate development operations under "Project Vicinia" at a plot of land situated at Chandivali, Mumbai being developed.

53 The Company had received ₹ 1,017.04 Lakhs in the year ended 31st March, 2016 from the Hon'ble Debt Recovery Tribunal, Mumbai towards principal and interest towards loan given to Coromandel Garments Limited (presently under liquidation).

The Company had made a provision of ₹ 364.99 Lakhs in earlier years which was reversed on receipt of ₹ 1,017.04 Lakhs from Coromandel Garments Limited and accounted the balance as interest income during the year ended 31st March, 2016.

In July 2018, in a separate proceeding the Hon'ble High Court, Mumbai had directed the Company to refund the aforesaid amount of ₹ 1,017.04 Lakhs with interest. Consequently, the Company refunded ₹ 1,055.82 Lakhs [including interest calculated from the date of the order till the date of payment aggregating ₹ 38.78 Lakhs] and recorded this as an exceptional

expense during the year ended 31st March, 2019. The Company was subsequently directed by the Hon'ble High Court to pay interest from the date the amount was received by the Company, amounting to ₹ 276.19 lakhs (of which the Company had provided for ₹ 46.00 Lakhs and ₹ 230.19 Lakhs was disclosed as a contingent liability), which was appealed by the Company.

The Official Liquidator vide order dated 23rd December, 2019 adjudicated and admitted a claim of ₹ 744.18 Lakhs (comprising ₹ 325.00 Lakhs towards loan and ₹ 419.18 Lakhs as interest).

The appeal filed by the Company with the High Court with respect to the interest of ₹ 276.19 Lakhs was dismissed on 9th June, 2021. Thereafter the Official Liquidator filed a report seeking permission from the Hon'ble High Court, Mumbai for payment of an amount of ₹ 467.99 Lakhs after adjusting interest amount of ₹ 276.19 Lakhs from the total adjudicated claim of ₹ 744.18 Lakhs. The Hon'ble High Court, vide order dated 4th August 2021, has permitted the Official liquidator to pay an amount of ₹ 467.99 Lakhs to the Company within two weeks from the date of the said Order. Basis the above, the Company has provided for ₹ 230.19 Lakhs in addition to ₹ 46.00 Lakhs provided earlier and recorded the expense as an exceptional item for year ended 31st March, 2022. The company has received the aforesaid amount of ₹ 467.99 Lakhs in the previous year.

54 In Forbes Technosys Limited (FTL), a subsidiary of the Group, expense in respect of shortages and written down of slow-moving, damaged or obsolete inventories to their net realisable value amounted to ₹ 96.97 lakh (2022: ₹ 1,157.84 Lakhs). The following amounts have been disclosed separately in the statement of profit and loss during the year as exceptional item.

55 Goodwill on consolidation (Refer note 7)

Goodwill arising on consolidation is attributed to the acquisition of Lux International AG, which is the cash generating unit (CGU) for this goodwill, being the difference between the consideration paid and the net asset value of the acquired company. Goodwill pertaining to the CGU is as follows -

Particulars	₹ in Lakhs	
	As at 31st Mar., 2023	As at 31st Mar., 2022
Goodwill on consolidation	-	-

The main operations of the CGU is spread across Europe and parts of Latin America. The carrying amount of the goodwill has been tested for impairment based on the business projections of each geography where the operations are based and cash flows arising out of the projections covering a 6 year period. The Group believes this to be the most appropriate timescale for reviewing and considering annual performance before discounting the cashflows and arriving at the terminal value.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

The movement in the goodwill is as follows -

	₹ in Lakhs
Balance as on 31st March 2021	30,450.39
Effect of Foreign Exchange Differences	(1,102.58)
Less : Impairment (Refer note 36)	<u>(29,347.81)</u>
Balance as on 31st March 2022	-
Effect of Foreign Exchange Differences	-
Less : Impairment (Refer note 36)	<u>-</u>
Balance as on 31st March 2023	<u><u>-</u></u>

Before Appointed Date of the Composite Scheme (1st February, 2022)

The Management of Lux group approved the disposal of investment in shares of AMC Cookware (PTY) Limited, South Africa for a consideration of ₹ 777.00 Lakhs during the year ended 31st March, 2022. The sale transaction was executed in the month of December 2021.

Consequently, investment value in joint venture AMC Cookware (PTY) Limited of ₹ 4,419.51 Lakhs has been impaired and corresponding impairment of goodwill on consolidation of ₹ 3,816.81 Lakhs has been disclosed as an exceptional loss towards investment/goodwill impairment in the consolidated financial statements for the year ended March 31, 2022.

After Appointed Date of the Composite Scheme (1st February, 2022)

Lux group is part of the Health and Hygiene business segment of the Group and was earlier part of the Eureka Forbes group of subsidiaries. Pursuant to the demerger of the major Health and Hygiene business in lines with the composite scheme (refer Note 66) from the Group, synergies which were expected to bring about business expansion and recovery for the Lux Group may not be attainable. Accordingly, based on an assessment of the revised future projections carried out by the Company's management after considering the current economic conditions and trends and estimated future operating results, an impairment loss on goodwill of ₹ 25,531.00 Lakhs for the year ended 31st March, 2022 was recorded as an exceptional item.

- 56 A. The following matter has been included in the special purpose condensed standalone financial statements of Erstwhile Eureka Forbes Limited, a subsidiary of the Group, which is reproduced as follows:

The Composite Scheme Of Arrangement ("the scheme") under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder, inter alia, provides for amalgamation and vesting of Aquaignis Technologies Private Limited ("ATPL") and Euro Forbes Financial Services Limited

("EFFSL") (wholly owned subsidiaries of EFL) with and into EFL and amalgamation and vesting of EFL with and into Forbes and Company Limited ("FCL") and Demerger and vesting of Demerged Undertaking (Health, Hygiene, Safety Products and Services Undertaking, as defined in the scheme) of the Parent Company into Forbes Enviro Solutions Limited ("FESL"), on a going concern basis has been approved by National Company Law Tribunal (NCLT) and a certified copy of the order has been received on January 31, 2022

The Board of Directors of EFL vide its circular resolution passed on January 31, 2022 has taken on record the order passed by NCLT and accorded February 1, 2022 as the appointed date for the purpose of scheme. The requisite certified order of NCLT has been filed with Registrar Of Companies on February 1, 2022, pursuant to this EFL is amalgamated with FCL.

The special purpose condensed financial Statement for the period ended January 31, 2022 does not take into consideration any impact on account of the said order as the scheme is effective from the prospective appointed date i.e. February 1, 2022.

- B. The following matter has been included in the special purpose condensed financial statements of Aquaignis Technologies Private Limited, Erstwhile Eureka Forbes Limited, a subsidiary of the Group, which is reproduced as follows:

The Hon'ble National Company Law Tribunal ("the NCLT"), Mumbai vide its order dated 25 January, 2022 sanctioned the Composite Scheme of Arrangement which provides for amalgamation and vesting of Aquaignis Technologies Private Limited ("ATPL"), Eureka Forbes Limited (EFL) and Euro Forbes Financial Services Limited ("EFFSL") with and into Eureka Forbes Limited (EFL), amalgamation and vesting of EFL with and into Forbes and Company Limited (FCL) and demerger and vesting of Demerged Undertaking (Health, Hygiene, Safety Products and Services Undertaking, as defined in the scheme) of FCL into Forbes Enviro Solutions Limited (the Company) (presently wholly owned subsidiary of EFL), on a going concern basis. Upon receipt of the certified copy of the order, the scheme was made effective by filing Form INC 28 with the Registrar of Companies on 1st February, 2022. The Board of Directors of the Company vide their resolution dated 31 January, 2022 has approved 01 February, 2022 as the Appointed Date for the purpose of Scheme.

Further, the name of the Company has been changed to Eureka Forbes Ltd, vide Fresh Certificate Of Incorporation dated 11 February, 2022. Consequently with effect from

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

1st February, 2022, ATPL and EFFSL have merged with EFL followed by merger of EFL into FCL and demerger of the Demerged Undertaking on a going concern basis in to FESL on the same date. In the special purpose condensed financial statements, the financial effects of the scheme are not considered, as the Scheme is effective from the prospective appointed date 1st February 2022. Accordingly, this Special Purpose Balance Sheet, Statement of Profit & Loss and other relevant statements have been prepared as at and for the period ended 31 January, 2022, to give the effect to the Order of the Hon'ble NCLT, Mumbai for the aforesaid scheme of amalgamation/demerger.

- C. The following matter has been included in the special purpose condensed financial statements of Euro Forbes Financial Services Limited, Erstwhile Eureka Forbes Limited, a subsidiary of the Group, which is reproduced as follows:

The Hon'ble National Company Law Tribunal ("the NCLT"), Mumbai vide its order dated 25 January, 2022 sanctioned the Composite Scheme of Arrangement which provides for amalgamation and vesting of Aquagnis Technologies Private Limited ("ATPL"), Eureka Forbes Limited (EFL) and Euro Forbes Financial Services Limited ("EFFSL") with and into Eureka Forbes Limited (EFL), amalgamation and vesting of EFL with and into Forbes and Company Limited (FCL) and demerger and vesting of Demerged Undertaking (Health, Hygiene, Safety Products and Services Undertaking, as defined in the scheme) of FCL into Forbes Enviro Solutions Limited (the Company) (presently wholly owned subsidiary of EFL), on a going concern basis. Upon receipt of the certified copy of the order, the scheme was made effective by filing Form INC 28 with the Registrar of Companies on 1st February, 2022.

The Board of Directors of the Company vide their resolution dated 31 January, 2022 has approved 01 February, 2022 as the Appointed Date for the purpose of Scheme.

Further, the name of the Company has been changed to Eureka Forbes Ltd, vide Fresh Certificate Of Incorporation dated 11 February, 2022.

Consequently with effect from 1st February, 2022, ATPL and EFFSL have merged with EFL followed by merger of EFL into FCL and demerger of the Demerged Undertaking on a going concern basis in to FESL on the same date.

In the special purpose condensed financial statements, the financial effects of the scheme are not considered, as the Scheme is effective from the prospective appointed date 1st February 2022.

Accordingly, this Special Purpose Balance Sheet, Statement of Profit & Loss and other relevant statements have been prepared as at and for the period ended 31 January, 2022, to give the effect to the Order of the Hon'ble NCLT, Mumbai for the aforesaid scheme of amalgamation/demerger.

- 57 Svadeshi Mills is not considered as a related party of the Group as per Note 3.1.1. Secured Loans include interest free loans, relating to which full provision exists in Financial statements, aggregating ₹ 4,391.78 Lakhs as at 31st March, 2023 (31st March, 2022 ₹ 4,391.78 Lakhs). The Parent Company, being a secured creditor, with adjudicated dues by the Official Liquidator, expects to receive the dues when the matter is ultimately disposed off.

- 58 The Board of Directors of the Forbes Company Limited ("FCL") in their meeting dated 26th September, 2022 have approved the Scheme of Arrangement ("Scheme") between FCL ("Demerged Company") and Forbes Precision Tools and Machine Parts Limited ("FPTL" or the "Resulting Company") and their respective shareholders under Section 230 to 232 of the Companies Act, 2013 and other applicable provisions and the Rules framed thereunder. This Scheme is a Scheme of Arrangement involving demerger of Precision Tools business of the Company into Forbes Precision Tools and Machine Parts Limited. The Scheme is subject to necessary approvals by the Stock Exchanges, Securities and Exchange Board of India, Shareholders and Creditors of the Company, as may be applicable, Jurisdictional Bench of National Company Law Tribunal ("NCLT") and such other statutory and regulatory approvals as may be required.

The relevant documents for obtaining approval under Regulation 37 of the SEBI Listing Regulations are submitted to the Designated Stock Exchange.

The FPTL has been incorporated on 30th August, 2022 as a wholly owned subsidiary of the Company.

- 59 The Board of Directors of Forbes Technosys Limited, a subsidiary of the Group ("FTL"), in its meeting held on 27th December, 2021, after considering the rationale and pursuant to the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification and re-enactment thereof for the time being in force) read with the Companies (Compromises, Arrangements and Amalgamations) Rules 2016, enabling provisions of the Memorandum and Articles of Association of the Company and subject to the requisite approval of the shareholders of the Company and the sanction of the jurisdictional National Company Law Tribunal and such other competent authority as may be applicable, approved the Composite Scheme of Arrangement between Forbes Campbell Service Limited ("FCSL") and FTL and

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

their respective shareholders ('the Scheme'). The Scheme was, subsequently, approved by the shareholders of the FTL.

The Scheme inter-alia proposes for amalgamation of FCSL into FTL and reduction of share capital of FTL before the said amalgamation. Subject to the requisite approvals, through the above-mentioned Scheme, FTL has proposed to proportionately reduce capital by cancelling –

- a) 9,39,48,228 equity shares of ₹ 10 each out of the existing 9,48,97,200 equity shares of ₹ 10 each fully paid up for a consideration of ₹ 0.001 for each equity share so cancelled.
- b) 6,13,80,000 "10% Optionally Convertible Redeemable Preference Shares" (OCRPS) of ₹ 10 each out of the existing 6,20,00,000 OCRPS of ₹ 10 each fully paid up for a consideration of ₹ 0.001 for each OCRPS so cancelled.
- c) 99,00,000 "0.10% Non-Convertible Redeemable Preference shares" (NCRPS) of ₹ 10 each out of the existing 1,00,00,000 NCRPS of ₹ 10 each fully paid up for a consideration of ₹ 0.001 for each NCRPS so cancelled.

The Scheme proposes that a consideration of ₹ 3 Lakhs "6% Non-cumulative Non-Convertible Redeemable Preference Shares" (NCRPS) of ₹ 10 each of FTL shall be issued and allotted to the Equity Shareholders of the FCSL in proportion to their holding in FCSL as on the Record Date for Amalgamation.

Subsequently, The NCLT, in its order dated 16th September, 2022 ('the order') approved the Composite Scheme of Arrangement for amalgamation of Forbes Campbell Services Limited ('FCSL') into FTL and reduction of share capital of FTL ('the scheme'). Pursuant to the order, the Appointed Date of the Scheme is fixed at 1st October 2022 and the Scheme become effective from 29th September 2022 i.e., the last date on which the certified copy of the order was filed with the Registrar of Companies by both the companies.

The amalgamation has been accounted by applying the principle as set out in Appendix C of IND AS 103 "Business Combinations" and in accordance with the Ministry of Corporate Affairs (MCA) circular dated 21st August, 2019, FTL has considered the Appointed date i.e., 1st October 2021 as the date of amalgamation.

Accordingly, FTL has prepared its financial results for the quarter and half year ended 30th September, 2022 after giving effect of the aforesaid scheme and corresponding figures for the quarter ended 30th June 2022 and for the year and for the year ended 31st March 2022 have been restated to give effect of the scheme with effect from 1st October 2021. On the Scheme becoming effective and with effect from the Appointed Date, the FTL has-

- A. Accounted an aggregate gain of ₹ 16,417 Lakhs directly in retained earnings to the extent pertaining to equity portion and a gain of ₹ 380 Lakhs on reduction of liability portion of preference share, on proportionate reduction of –
 - a. its equity share capital by cancelling 9,39,48,228 equity shares of ₹ 10 each for a consideration of ₹ 0.001 per share.
 - b. its preference share capital by cancelling 6,13,80,000 10% Optionally Convertible Redeemable Preference Shares (OCRPS) of ₹ 10 each for a consideration of ₹ 0.001 per share.
 - c. its preference share capital by cancelling 99,00,000 0.10% Non-Convertible Redeemable Preference shares (NCRPS) of ₹ 10 each for consideration of ₹ 0.001 per share.
- B. Accounted for amalgamation of FCSL as per pooling of interest method by combining the assets, liabilities and reserves of the FCSL at their carrying amounts with only such adjustments which are required to harmonise the accounting policies. The consideration for amalgamation is payable to the shareholders of FCSL in the form of 2,60,000 6% Non-cumulative Non-convertible Redeemable Preference Shares (NCRPS) of ₹ 10 each in proportion of their holdings in FCSL on Record Date. Until the date of allotment of such NCRPS, the Company has accounted a financial liability of ₹ 26 Lakhs for the consideration issuable under the Scheme. The difference between the consideration issuable and the capital of FCSL, after adjustments for changes in deferred taxes, have been transferred to capital reserve on amalgamation (debit balance).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued**60. The aggregate amount of Assets, Liabilities, Income and Expenses related to the Group's interests in the Joint Ventures and associates**

Sl. No	Name of the Company	Country of Incorporation	Year / Period Ended on	% Holding	Group's Share			
					Assets	Liabilities	Income	Expenses
					₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
1	Forbes Concept Hospitality Services Private Limited	India	31st March, 2023	50%	9.36	9.71	0.53	1.41
			<i>31st March, 2022</i>	<i>50%</i>	<i>9.44</i>	<i>8.91</i>	<i>1.55</i>	<i>1.12</i>
2	Forbes Bumi Armada Limited	India	31st March, 2023	51%	1,660.54	563.62	2,997.84	2,793.80
			<i>31st March, 2022</i>	<i>51%</i>	<i>1,547.84</i>	<i>606.90</i>	<i>2,871.72</i>	<i>2,739.45</i>
3	Shapoorji Pallonji Forbes Shipping Limited	India	31st March, 2023	NA	-	-	-	-
			<i>31st March, 2022</i>	<i>25%</i>	<i>3,015.31</i>	<i>1,213.31</i>	<i>-</i>	<i>-</i>
4	Nuevo Consultancy Services Private Limited	India	31st March, 2023	49%	5,333.19	3,942.48	1,315.36	1,213.72
			<i>31st March, 2022</i>	<i>49%</i>	<i>5,307.30</i>	<i>4,312.24</i>	<i>1,267.64</i>	<i>802.45</i>

61. Net debt reconciliation

	₹ in Lakhs	
	As at 31st March 2023	As at <i>31st March 2022</i>
Short Term Borrowings	(2,999.12)	(16,092.78)
Long Term Borrowings (includes accrued interest)	(3,597.32)	(6,650.35)
Current Maturities of Long Term Borrowings	(243.25)	(4,690.05)
Lease Liabilities	(2,066.16)	(1,693.08)
Lease Liabilities [pertaining to discontinued operations]	-	(103.90)
Borrowings [pertaining to discontinued operations] (includes accrued interest)	-	(1,286.71)
Total debt	(8,905.85)	(30,516.87)
Cash and Cash equivalents	4,557.15	1,730.76
Cash and Cash equivalents [pertaining to discontinued operations]	-	91.01
Net debt	(4,348.70)	(28,695.10)

	Other assets		Debt	
	Cash and cash equivalents	Total Debt (Excluding Lease Liabilities)	Lease Liabilities	Total
Net debt as at 1st April, 2022	1,821.77	(28,719.89)	(1,796.98)	(28,695.10)
Cash flows	2,735.38	20,124.27	612.21	23,471.86
Foreign exchange adjustments	-	-	103.45	103.45
Interest expense	-	(1,646.90)	(115.62)	(1,762.52)
Interest paid *	-	767.26	-	767.26
Other adjustments (mainly including effect of deconsolidation) (Refer Note 16, 66 and 67)	-	2,635.57	(869.22)	1,766.35
Net debt as at 31st March, 2023	4,557.15	(6,839.69)	(2,066.16)	(4,348.70)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

₹ in Lakhs

	Other assets		Debt	
	Cash and cash equivalents	Total Debt (Excluding Lease Liabilities)	Lease Liabilities	Total
<i>Net debt as at 1st April, 2021</i>	8,358.84	(81,308.03)	(3,058.53)	(76,007.72)
<i>Cash flows</i>	(6,537.07)	19,172.83	1,586.95	14,222.71
<i>Foreign exchange adjustments</i>	-	-	27.27	27.27
<i>Interest expense</i>	-	(6,295.47)	(180.32)	(6,475.79)
<i>Interest paid</i>	-	6,143.30	-	6,143.30
<i>Other adjustments (mainly including effect of deconsolidation) (Refer Note 16, 59, 66 and 67)</i>	-	33,567.48	(172.35)	33,395.13
<i>Net debt as at 31st March, 2022</i>	1,821.77	(28,719.89)	(1,796.98)	(28,695.10)

62. Offsetting financial assets and financial liabilities

₹ in Lakhs

	Gross amounts	Gross amounts set off in the Balance Sheet	Net amounts presented in Balance Sheet
	(Financial Assets - Trade Receivables)	(Financial Liabilities - Rebates/ Discounts)	(Net Financial Assets - Trade Receivables)
31st March, 2023	6,979.26	324.59	6,654.67
Total	6,979.26	324.59	6,654.67
<i>31st March, 2022</i>	<i>10,075.81</i>	<i>281.54</i>	<i>9,794.27</i>
<i>Total</i>	<i>10,075.81</i>	<i>281.54</i>	<i>9,794.27</i>

The Group gives rebates/ discounts for certain segments. Under the terms of contract, the amounts payable by the Group are offset against receivables from customers and only the net amount is settled (i.e. after adjustment towards rebates/ discounts). The relevant amounts have therefore been presented net in the Balance Sheet.

63. Ind AS 115 'Revenue from Contracts with Customers'

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

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 ₹ 5,083.12 Lakhs (net of tax) on real estate projects under development (i.e. flats under construction) for contracts not completed as on 1st April, 2018. Considering the terms of the contract, receipt of Occupancy Certificate for Phase I of the real estate development project, issuance of possession letters and transfer of control of the real estate units to the customers, the Group has recognised revenue of ₹ 1,490.58 Lakhs for the year ended 31st March, 2022 and ₹ 238.08 lakhs for the year ended 31st March, 2023.

Revenue is recognised when control of the real estate units has been transferred and there is no unfulfilled obligation which could affect the customer's acceptance of the real estate units.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

Revenue is measured as the fair value of consideration which the Company expects to be entitled to in exchange of transferring the property to the customer (excluding amounts collected on behalf of third parties e.g. taxes).

Any costs incurred that do not contribute to satisfying performance obligations are excluded from the Company's method of revenue recognition as the amounts are not reflective of transferring control to the customer.

Reconciliation of revenue recognised in the Statement of Profit and Loss.

₹ in Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Contract price of the revenue recognised (pertaining to performance obligations completed)	238.08	1,731.48
Less Adjustments for:		
Customer incentives/ discounts / other considerations	-	(240.90)
Income from real estate contracts recognised in the Statement of Profit and Loss	238.08	1,490.58

The Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due) are reflected as trade receivables. Contract liability (reflected as Advances from customers under Other Current Liabilities) is the obligation to transfer goods or services to a customer for which the Company has received consideration.

There were no significant changes in the composition of Contract Liabilities and Trade Receivables during the reporting period other than on account of periodic invoicing and revenue recognition.

64. Leases

Lessee accounting

The Group leases various land, office premises and vehicles. Rental contracts are typically ranges from 9 months to 15 years but may have extension options. The Group has adopted Ind AS 116 using the modified retrospective approach from 1st April, 2019. On adoption of Ind AS 116, the Group recognized lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of Ind AS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate of 10% to 10.75%.

(i) Practical Expedients applied on initial application date

In applying Ind AS 116 for the first time, the Group has used the following practical expedients permitted by the standard:

- Initial direct costs are excluded from the measurement of right-of-use assets at the date of initial application.
- the Group has used a single discount rate to a portfolio of leases with reasonably similar characteristics.
- the Group has applied practical expedients on not to separate non-lease component from leases on initial application and instead accounts for these as a single lease component.
- the Group has relied on its previous assessment on whether leases are onerous as an alternative to performing an impairment review - there were no onerous contracts as on 1st April, 2019.
- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group has elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contract entered into before the transition date the Group relied on its assessment made applying Ind AS 17 and Appendix C to Ind AS 17, Determining whether an arrangement contains a lease.

ii) Amounts recognized in Balance Sheet

The balance sheet shows the following amounts relating to leases:

₹ in Lakhs

Particulars	31 st Mar., 2023	31 st Mar., 2022
Right-of-use assets	2,112.70	1,663.82
Right-of-use assets pertaining to discontinued operations	-	81.49
Total	2,112.70	1,745.31

Particulars	31 st Mar., 2023	31 st Mar., 2022
Lease liabilities		
Non-current	1,698.30	1,190.37
Current	367.86	502.71
Lease liabilities pertaining to discontinued operations	-	103.90
Total	2,066.16	1,796.98

Additions to right-of-use asset during the year were ₹ 845.86 Lakhs (Previous year ₹ 978.28 Lakhs).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

iii) Amounts recognized in Statement of Profit and Loss.

The Statement of Profit and Loss shows the following amounts relating to leases:

Particulars	₹ in Lakhs	
	31 st Mar., 2023	31 st Mar., 2022
Depreciation charge of right-of-use assets - Continuing Operations	510.63	541.66
Depreciation charge of right-of-use assets - Discontinued operations	12.83	930.94
Total	523.46	1,472.60
Interest expense on lease liability (included in finance cost)- Continuing Operations and Discontinued operations	112.60	180.32
Expense relating to short term leases (Included in Other Expenses)- Continuing Operations and Discontinued operations	705.94	1,009.76
Expense relating to low value assets that are not shown above as short term leases (Included in Other Expenses) - Continuing Operations and Discontinued operations	-	10.98
Total	1,342.00	2,673.66

The total cash outflow for leases in year ended 31st March, 2023 was ₹ 612.21 Lakhs (*Previous Year ₹ 1,586.95 Lakhs*) for continued and discontinued operations.

(iv) Critical judgements in determining the lease term

In determining the lease term, management considers all facts and circumstances that creates an economic incentive to exercise an extension option, or not to exercise a termination option. Extension option (or period after termination option) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

For the leases of offices premises, the following factors are normally the most relevant:

1. If there is significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate).
2. If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate)
3. Otherwise, the Group considers the other factors including historical lease duration and the costs and business disruption required to replace the leased asset.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise it. The assessment of reasonably certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within control of lessee.

Lessor accounting as a lessor

The Group did not need to make any adjustments to the accounting for assets held as lessor under operating leases (Refer note 41) as a results of the adoption of Ind AS 116.

For maturity profile of Lease liabilities as of 31st March, 2023 and 31st March, 2022 (Refer Note 45.5).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

65 Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

Particulars	Notes	(₹ in Lakhs)	
		As at 31 st Mar., 2023	As at 31 st Mar., 2022
Current			
Financial Assets			
Trade receivables	9B	2,491.58	6,937.42
Cash and cash equivalents	13A	81.78	613.71
Bank balances other than above	13B	137.50	446.66
Loans	11B	-	0.83
Other financial assets	14B	58.46	198.03
Other current assets	15B	3,530.25	4,892.74
		<u>6,299.57</u>	<u>13,089.39</u>
Non-financial assets			
Inventories	12	<u>3,511.95</u>	<u>4,807.94</u>
Total current assets pledged as security		<u><u>9,811.52</u></u>	<u><u>17,897.33</u></u>
Non-current			
Trade receivables	9A	844.95	1,096.61
Leasehold Land	4	10.13	10.30
Buildings	4	3,553.47	3,594.14
Plant and Equipment (Owned)	4	4,918.88	5,227.50
Furniture and Fixtures	4	25.24	28.65
Data Processing Equipments	4	5.06	5.85
Office Equipments	4	4.40	10.83
Vehicle	4	-	38.32
Investment Properties	6	-	89.42
Other Intangible assets	8	1.47	918.06
Capital work-in-progress		<u>182.80</u>	<u>81.82</u>
Total non-currents assets pledged as security		<u><u>9,546.40</u></u>	<u><u>11,101.50</u></u>
Total assets pledged as security		<u><u>19,357.92</u></u>	<u><u>28,998.83</u></u>

Facilities from Axis Bank and DCB Bank are secured by 1st Pari-passu charge on the current assets and all movable and immovable fixed assets (present and future) taken by a subsidiary, Forbes Technosys Limited (FTL) and are backed by 1st Pari-passu charge on property owned by Forbes & Company Ltd situated at Wagle Estate Thane with carrying value amount Nil (Previous year ₹ 0.27 Lakhs).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

66 Composite Scheme of Arrangement

The Board of Directors of the Company at their Board Meeting held on 8th September, 2020 had, inter alia, approved the Composite Scheme of Arrangement (“Scheme”) under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder.

The Scheme provides for amalgamation and vesting of Aquaignis Technologies Private Limited (“ATPL”) and Euro Forbes Financial Services Limited (“EFFSL”) [the wholly owned subsidiaries of Eureka Forbes Limited (“EFL”)] with and into EFL and amalgamation and vesting of EFL with and into the Company.

Further, upon the above part of the Scheme becoming effective, Demerger and vesting of Demerged Undertaking (as defined in the Scheme) of the Company into Forbes Enviro Solutions Limited (“FESL”), on a going concern basis would take place. Upon the entire scheme becoming effective, the name of FESL shall be changed to Eureka Forbes Limited.

On 19th September, 2021 a Share Purchase Agreement (SPA) was entered into between Lunolux Limited (Acquirer), an Advent International entity, Shapoorji Pallonji and Company Private Limited (Seller), the Company, EFL, FESL and Forbes Campbell Finance Limited (“FCFL”) for sale of shares of FESL, post issuance and listing of the same pursuant to the Scheme becoming effective.

Pursuant to the aforesaid SPA, the Board of Directors of the Company vide resolution dated 10th October, 2021, approved the following amendments to the Scheme:

- certain identified investments of EFL shall not be demerged as part of the Demerged Undertaking (as defined in the Scheme) from the Company to FESL,
- “appointed date” as per the Scheme would be effective date or the first day of the calendar month immediately succeeding the month in which the effective date occurs, as may be decided by the Board.”

Consequently, notices to equity shareholders, secured creditors and unsecured creditors had been sent for the aforesaid modifications in the Scheme and necessary approvals from the stock exchange, regulators and other stakeholders were sought. On 6th October, 2021, the Company has received an order from Hon’ble National Company Law Tribunal, Mumbai (NCLT) for convening meetings of equity shareholders, secured creditors and unsecured creditors and consequently

the meetings were held on 22nd November, 2021, where the scheme was approved. Since FESL is used as an acquisition vehicle by the acquirer, EFL has deconsolidated FESL w.e.f. 1st December, 2021. Further, the Scheme was sanctioned by the NCLT vide order dated 25th January, 2022. Upon receipt of the certified copy of the said order, the Scheme was made effective by filing Form INC 28 with the Registrar of Companies, Mumbai, Maharashtra (ROC) on 1st February, 2022.

The Board of Directors of the respective companies vide resolution dated 31st January, 2022 have approved 1st February, 2022 as the Appointed Date, for the purposes of the Scheme. Consequently, with effect from 1st February, 2022, ATPL and EFFSL have merged with EFL, followed by merger of EFL into the Company and demerger of the Demerged Undertaking as defined in the Scheme on a going concern basis into FESL on the same date.

In accordance with the provisions of the Scheme, each shareholder of the Company as on the Record date i.e. 11th February, 2022 were allotted 15 shares each of FESL (Now EFL) which got listed on BSE Limited. The allotment of the aforesaid new shares was completed on 14th February, 2022 and each shareholder of Forbes & Company Limited became entitled to 15 shares of FESL (Now EFL) in the ratio to their original holding as per details specified in the scheme.

Post the merger scheme becoming effective, Demerger and vesting of Demerged Undertaking (as defined in the Scheme) of the Company into Forbes Enviro Solutions Limited (“FESL”), on a going concern basis has taken place on the appointed date of 1st February, 2022 as approved by the NCLT.

The demerger has been considered as a distribution of non-cash assets to the owners of the Company and the difference in the fair value and the carrying amount of net assets of the Demerged Undertaking is recognised as Notional gain on demerger in these financial results as an exceptional item amounting to ₹ 4,52,928.87 Lakhs during the year ended 31st March, 2022. Neither the Company nor the shareholders received any cash amount nor were they entitled to receive any cash in respect of this Composite Scheme.

	Amount (₹ in lakhs)
Distribution of demerged undertaking to Shareholders of the Company	4,06,600.00
Carrying value of net assets/ (liabilities) of demerged entities	(46,328.87)
Notional gain on distribution of demerged undertaking to owners	4,52,928.87

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

66 Composite Scheme of Arrangement
Carrying value of assets and liabilities of demerged entities

	(₹ in lakhs)
Assets	1st Feb, 2022
Property, Plant and Equipment	12,524.93
Right of Use Assets	1,327.52
Other Intangible assets	138.61
Investments	6,134.71
Trade receivables	16,245.20
Other financial assets	2,069.36
Deferred tax assets (net)	717.26
Income tax assets (net)	2,377.58
Inventories	31,189.57
Cash and cash equivalents	1,541.32
Bank balances other than above	80.09
Loans	408.94
Other assets	5,287.01
Total Assets	80,042.10
Borrowings	26,585.68
Lease Liabilities	1,427.26
Trade Payables	21,043.86
Other financial liabilities	17,798.93
Provisions	2,326.67
Current tax liabilities (net)	412.35
Other liabilities	56,650.28
Total liabilities	1,26,245.03
Non Controlling Interest	125.94
Carrying value of net assets/ (liabilities) of demerged entities	(46,328.87)

Pursuant to the Composite Scheme of Arrangement (Refer Note 66), the following downstream entities have been demerged along with Eureka Forbes Limited ('EFL')

Subsidiaries:

1. Aquaignis Technologies Private Limited
2. Euro Forbes Financial Services Limited
3. Forbes Lux FZCO
4. Euro Forbes Limited
5. Forbes Enviro Solutions Limited
6. Infinite Water Solutions Private Limited
7. Forbes Aquatech Limited (upto 28th August, 2020)

Associates:

1. Euro P2P Direct (Thailand) Company Limited

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

67 Business Combinations and Disposal and Deconsolidation of Subsidiaries

- i) The Board of Directors of the Parent Company at their meeting held on 23rd February, 2022 has approved entering into a binding term sheet for sale of its entire shareholding in Forbes Facility Services Private Limited (FFSPL), a wholly owned subsidiary of the Company to SILA Solutions Private Limited. This binding term sheet has been executed on 23rd February, 2022 and agreement for sale executed on 20th May, 2022. The transaction has been completed on 1st July 2022 a sales consideration of ₹ 4,200 Lakhs.

The assets and liabilities derecognised as at the date of sale are as follows:

Particulars	Forbes Facility Service Private Limited (₹ in Lakhs)
Assets	
Property, plant and equipment	307.99
Right of use assets	92.65
Other Non-Current financial asset	173.94
Other non-current assets	1.23
Income Tax Assets (Net)	1,404.33
Inventories	210.61
Trade receivables	3,316.22
Cash and cash equivalents	35.94
Bank balance other than Cash and cash equivalents	5.94
Other current financials assets	18.16
Other current assets	50.91
Total Assets (A)	5,617.92
Liabilities	
Non current Lease liabilities	60.22
Non Current Provisions	9.73
Short Term Borrowings	1,460.30
Trade Payables	1,305.83
Current Lease liabilities	54.06
Current Provisions	485.99
Other current financial liabilities	660.62
Other current liabilities	368.17
Total Liabilities (B)	4,404.92
Net Assets (A-B)	1,213.00
Sale consideration	4,200.00
Gain recognised on Loss of Control (D-A+C)	2,987.00

- ii) During the previous year, pursuant to the termination of the joint venture agreement between the shareholders of Shapoorji Pallonji Forbes Shipping Limited (SPFSL), SPFSL ceases to be a subsidiary of the Company effective 1st March, 2022 and now stands as an associate.

The Board of Directors of the Company at their meeting held on 30th May, 2022 has approved the sale of its entire shareholding in Shapoorji Pallonji Forbes Shipping Limited, an associate as at 31st March, 2022 of the Group. Accordingly, the net carrying value of the investment of ₹ 2,756.09 lakhs has been classified as asset held for sale as at 31st March, 2022. The Parent Company has sold 3,75,000 equity shares of ₹ 10 each and 2,21,50,000 Zero Percent Redeemable Preference Shares of ₹ 10 each of Shapoorji Pallonji Forbes Shipping Limited to M/s G.S Enterprises, a related party for an aggregate purchase consideration of ₹ 2,900 Lakhs during the year ended 31st March, 2023.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

The assets and liabilities derecognised as at the date of conversion from Subsidiary to associate are as follows:

Particulars	Shapoorji Pallonji Forbes Shipping Limited (in Lakhs)
Assets	
Property, plant and equipment	2.55
Non current asset held for sale	11,904.07
Loans	2,200.00
Other Non-Current financial asset	410.45
Other non-current assets	1,200.54
Income Tax Assets (Net)	68.13
Trade receivables	347.38
Cash and cash equivalents	767.16
Other current financials assets	244.37
Other current assets	40.54
Total Assets (A)	17,185.19
Liabilities	
Long Term Borrowings	7,164.27
Non Current Provisions	4.98
Short Term Borrowings	813.80
Trade Payables	311.68
Provisions	0.13
Other current financial liabilities	248.19
Current tax liabilities (Net)	31.52
Other current liabilities	3.59
Total Liabilities (B)	8,578.16
Net Assets (A-B)	8,607.03
Net Assets Pertaining to Non-controlling interest (C)	(6,018.88)
Fair value of investment in associate recognised on date of conversion (D)	2,754.82
Gain recognised on Loss of Control (D-A+C)	166.67

68. a. The following matter has been included in the financial statements of Forbes Technosys Limited (FTL), a subsidiary, which is reproduced as follows:

Management note on material uncertainty related to going concern:

The Company has incurred a net loss of ₹ 3,384.95 lakhs for the year March 31, 2023 and a net loss of ₹ 3,819.09 lakhs for the year ended March 31, 2022. The Company's current liabilities exceeded its current assets by ₹ 11,171 lakhs as at March 31, 2023. The Company has accumulated losses of ₹ 18,275.15 lakhs and its net-worth is negative as at March 31, 2023. These conditions indicate the existence of a material uncertainty that may cast a significant doubt about the Company's ability to continue as a going concern.

The Management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position for the year ended March 31, 2023. The Company has used the principles of prudence in applying judgments, estimates and assumptions based on current assessments in preparation of these financial results.

The Company, in the recent previous years, has exited loss-making business verticals. The Company has assessed recoverability of its assets such as trade receivables, inventory, other current assets and loans and advances and believes that it will recover the carrying cost of all its assets. The management will continue to closely monitor any material changes arising out of future economic conditions and impact on its operations.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

During the year ended March 31, 2023, the Parent Company has provided additional Inter Corporate Deposits (“ICDs”) aggregating to ₹ 3,185.00 lakhs to support the repayment of maturities/settlement of long-term debts (Refer Note 14 for further details) and for working capital requirements of the Company.

The Company has received the approval from the National Company Law Tribunal – Mumbai Bench (“the NCLT”) for the Composite scheme of arrangement (Refer Note 39 for further details) to improve the position of the Company.

- b. The following matter has been included in the financial statements of EFL Mauritius Limited (EFLM), a subsidiary, which is reproduced as follows:

“Going concern

The financial statements have been prepared on the going concern basis which assumes that the Company will continue in operational existence for the foreseeable future. The Company incurred a loss of EUR 19,789 (2022: EUR 14,909) during the year ended 31 March 2023 and, as at that date the Company’s total liabilities exceeded its total assets by EUR 315,832 (2022: EUR 296,043). The validity of this assumption depends on the continued support of the shareholder.

The directors are of the opinion that this support will be forthcoming over the next twelve months and believe that it is appropriate for the financial statements to be prepared on a going concern basis.”

69. The Board of Directors of the Company, in their meeting held on 22nd December, 2020, approved entering into a Memorandum of Understanding (“MOU”) for sale of approximately 3.804 acres of land at Chandivali. Accordingly, the net carrying value aggregating ₹ 2,315.70 Lakhs [including ₹ 2,277.08 Lakhs paid towards seeking permission under the Urban Land (Ceiling & Regulation) Act, 1976 for the transfer/ sale/ development/ redevelopment of the land during quarter ended 31st March, 2022], has been reflected as asset held for sale as on 31st March, 2022.

Pursuant to the Board of Directors meeting dated 24th March, 2022, the Company has entered into a new Agreement for Sale (AFS) for the aforesaid land, with Equinix India Private Limited (Equinix) for an aggregate consideration of ₹ 23,500.00 Lakhs, which was executed on 24th March, 2022 and the completion of the said transaction was subject to fulfilment of conditions precedent.

The transaction for sale of Chandivali land with Equinix got concluded on 28th June, 2022 post completion of the conditions precedent and the Company received entire consideration of

₹ 23,500.00 Lakhs during the quarter ended 30th June, 2022. The difference between the net disposal proceeds and the carrying amount of the land amounting to ₹ 20,684.00 Lakhs has been recognised as gain on disposal during the quarter ended 30th June, 2022 and reflected in Other Income in financial results. The capital gain tax impact of the aforesaid transaction has been appropriately considered during the quarter ended 30th June, 2022.

70. The following matters have been included in the financial statements of Forbes Lux International AG, a subsidiary of the Group, which are reproduced as follows:

Financial Difficulties -

Forbes Lux International Ltd. and its direct subsidiaries (Lux Group) faced financial difficulties during the last years, including 2022.

The Board of Directors of Lux International AG are taking necessary steps to revive, to stabilize and to sustainably finance the ongoing business activities of Lux Group. Should, however, Lux International AG be unable to finance its ongoing business, this would constitute a material uncertainty that would cast significant doubt about Forbes Lux International AG’s ability to continue as a going concern. If Forbes Lux International Ltd. is not able to continue on a “going concern” basis. In such case, financial statements must be prepared at liquidation values. The impact of such change in basis of accounting could be material and the necessary provisions would have to be applied by the Board of Directors.

71. With respect to the step-down subsidiary LUX International AG (LIAG) & its subsidiaries are facing liquidity crisis. The Management certified accounts as shared by the management of LIAG with the component auditors has been included in the consolidated financial statements. The information related to LIAG has been provided to the component auditor and the review was conducted, with unsigned draft reports being available, but the final signed financials and audit report, with their opinion, has not been issued by the component auditor.

It is pertinent to note that before the finalisation of the audit report, on 11th April 2023, Forbes Lux International AG, Lux International AG, and Lux Switzerland AG have submitted a application for provisional debt restructuring moratorium with the Insolvency court in summary proceedings at Wallisellen, Switzerland. The said court has granted a provisional moratorium for 4 months which may be extended by another 4 months in exceptional situations as per the rules defined for this purpose. The companies must provide a revival plan within this defined moratorium period. Accordingly, an Administrator has been nominated, to whom the Chief Executive Officer of the company has to report, and this procedure leads to a strict and limited release of payments by the Administrator, to protect the legitimate interests of the creditors, including the

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

payment to these auditors. The component auditor informed the management of LIAG that the signed report shall be released along with the settlement of dues.

The Board of Directors of Lux International AG are taking necessary steps to revive, to stabilize and to sustainably finance the ongoing business activities of Lux Group. “

72. Previous year figures have been regrouped/ reclassified, wherever necessary to conform to current year classification.

73. With respect to subsidiary Forbes Lux International AG (FLIAG) who has been facing financial difficulties since last years including period ended 31st December 2022. The Board of Directors of FLIAG is of the opinion that they are exploring options to improve the liquidity by which fund could be infused and thereby overcome the liquidity crisis.

Presently considering FLIAG and Lux group management’s assessment on the business outlook, liquidity assessment and projected volumes and profitability, the financial results of these entities have been included in the consolidated financial statements of the Group for the year ended 31st March 2023 on a going concern basis.

74. During the year ended 31st March, 2022, Shapoorji Pallonji Forbes Shipping Limited (“SPFSL”) sold its Neelambari vessel for an aggregate consideration of USD 7.60 million. The vessel was delivered to the buyer on 17th March, 2022 and loss on sale aggregating ₹ 664 Lakhs were recorded as an exceptional loss being the difference between net book value and net sale value during the year ended 31st March, 2022.

75. The Company and MACSA ID, S.A., have entered into a 50:50 Joint Venture Agreement on December 5, 2022 (JVA) for providing innovative laser marking and traceability solutions for the entire range of materials metal and non-metals. Pursuant to the terms of the JVA, a joint venture company viz., FORBES MACSA PRIVATE LIMITED has been incorporated on December 9, 2022. The JV partners have infused equity and preference shares capital to the tune 250 Lakhs each in the JVC. The JVC and shareholders have executed the technology and trademark license agreement and brand and technology licensing agreement with respect to their respective brands. The operations of JVC have started from 1st March 2023.

76. Further, the Board of Directors of the Company at their meeting held on 23rd February, 2022 has approved entering into a binding term sheet for sale of its entire shareholding in Forbes Facility Services Private Limited (FFSPL), a wholly owned subsidiary of the Company to SILA Solutions Private Limited. The binding term sheet has been executed on 23rd February, 2022 and the definitive agreement for sale has been executed on 20th May, 2022. The transaction is subject to completion of conditions precedent as shall be set out in the definitive documents and is likely to be completed by Q1/ Q2 of FY 2022-2023. The

proposed sale consideration is Rs 4,200.00 Lakhs, subject to certain closing adjustments Also refer note 67(i)

Accordingly, individual line items of revenue, expenses, assets and liabilities pertaining to the previous year have been reclassified and the amount pertaining to discontinued operations has been disclosed as a single line in the financial statements.

The summary of results of the aforesaid discontinued operations, is as follows:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue (Including Other Income)	4,515.45	1,82,307.84
Total Income	4,515.45	1,82,307.84
Expenses	4,446.00	1,77,931.23
Total expenses	4,446.00	1,77,931.23
Profit / (Loss) before tax, Share of profit of joint ventures and associates accounted for using equity method and Exceptional items from discontinued operations	69.45	4,376.61
Add: Share of profit of joint ventures and associates accounted for using equity method	-	-
Profit / (Loss) before tax and Exceptional items from discontinued operations	69.45	4,376.61
Exceptional Items	-	4,52,928.87
Profit / (Loss) before tax from discontinued operations	69.45	4,57,305.48
Tax Expense	20.00	2,078.58
Profit / (Loss) after tax from discontinued operations	49.45	4,55,226.90
Net Cash flows from discontinued operations		
Operating Activities	-	11,516.50
Investing Activities	-	(5,781.55)
Financing Activities	-	(6,622.59)

For details of Assets and Liabilities pertaining to discontinued operations, refer note 16B and 16C

77. Forbes Technosys Limited, a subsidiary of the Group (“FTL”) has finalised and submitted the application for settlement of disputed Value Added Tax (VAT) dues including penalty and interest under the amnesty scheme introduced by the State Government of Maharashtra and made a total payment of Rs. 260 Lakhs and other VAT charge of ₹ 112 lakhs have been presented in the financial statements as an exceptional item.

78. During the year ended 31st March, 2023, Forbes Campbell Finance Limited (FCFL), a subsidiary, sold 12,00,000 equity

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

shares of Eureka Forbes Limited (EFL), of ₹ 10 each at the then prevailing market price of EFL on BSE Limited. The difference between the net disposal proceeds on sale of EFL shares in the open market and the carrying amount of EFL investments in FCFL books, amounting to ₹ 896.92 Lakhs has been recognized as an exceptional loss on sale of investments during the year ended 31st March, 2023 .

79. During the month of October 2020, owing to the financial difficulties arising from operational lasses, FTL had made an application to its bankers/debenture-holders for One Time Restructuring (OTR) under the ‘Resolution Framework for COVID-19 related Stress’ as prescribed by the Reserve Bank of India (RBI) vide its notification dated 6th August, 2020 for outstanding term loans, cash credit, debentures and other non-fund-based facilities. The aforesaid restructuring process was implemented during the month of March 2021 and April 2021 with respective lenders and as a result, the repayment of term loans and debentures were deferred to begin from 30th June, 2021 and are payable in 6 equal quarterly instalments. Limits of certain cash credit facilities were reduced, and new working capital facilities were granted. Subsequently, 4 instalments upto March, 2022 were paid within due dates as per OTR terms and the Company with financial support from its parent Company in the form of ICDs has prepaid its remaining 2 instalment obligations under the aforesaid OTR including payment to debenture-holders and exited the OTR. Post OTR exit, borrowing limits have been revised and reduced. The Company is in the process of satisfaction/revision of charges created against these borrowings.

80. The COVID-19 pandemic has severely disrupted the world’s business operations due to global lockdown and other emergency measures imposed by the various governments. The operations of the Group, its joint ventures and associates were impacted due to the shutdown of plants, real estate development project and offices following the nationwide lockdown. The Group commenced with its operations in a phased manner in line with the directives from the authorities.

The Group has evaluated the impact of this pandemic (considering the current situation and likely future developments along with the expected impact of new waves and strains of virus) on its business operations, liquidity and recoverability/ carrying values of its assets including property, plant and equipment, intangible including goodwill, trade receivables, inventory and investments as at the Balance Sheet date. Based on the management’s review of the current indicators and economic conditions there are no additional adjustments on its financial results. The Group has adequate unutilized fund-based credit facilities available, to take care of any urgent requirement of funds.

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

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

81. The Indian Parliament has approved the Code on Social Security, 2020 (“the code”) which, inter alia, deals with employees benefits during employment and post-employment. The code has been published in the Gazette of India. The effective date of the code is yet to be notified and the rules for quantifying the financial impact are also yet to be issued. In view of this, the impact of change, if any, will be assessed and recognised post notification of the relevant provisions.

82. Additional Regulatory Information as per Schedule III of the Division II of the Companies Act, 2013

i. Details of benami property held

There are not any proceedings that have been initiated or pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder as at March 31, 2023.

ii. Wilful defaulter

The Group has not been declared wilful defaulter by any bank or financial Institution or other lender who has powers to declare a Group as a wilful defaulter at any time during the financial year or after the end of reporting period but before the date when financial statements are approved or in an earlier period and the default has continued for the whole or part of the current year.

iii. Relationship with struck off companies

The Group has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.”

iv. The Group is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act 2013 read with Companies (Restriction on number of Layers) Rules, 2017.

v. (a) The Group has not advanced or loaned or invested any funds (either borrowed funds or share premium or any other sources or kind of funds) during the year to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding (whether recorded in writing or otherwise) that the intermediary shall:

i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (ultimate beneficiaries) or,

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

- ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- (b) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) during the year with the understanding (whether recorded in writing or otherwise) that the Group shall:
- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or
- (ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- vi. Undisclosed income
- The Group does not have any transaction that are not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961), during the year.
- vii. Details of crypto currency or virtual currency
- The Group has not traded or invested in Crypto currency or Virtual Currency during the current or previous year..
- viii. Valuation of Property, plant and equipment (including right-of-use assets) , intangible asset and investment properties.
- The group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.
- 83. Other Regulatory Information as per Schedule III of the Division II of the Companies Act, 2013**
- i. Registration of charges or satisfaction with Registrar of Companies
- There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.
- ii. Utilisation of borrowings availed from banks and financial institutions
- The borrowings obtained by the Group from banks and financial institutions have been applied for the purposes for which such loans were was taken.
- iii. The Group has five CICs which are part of the Group
- SP Finance Private Limited,
 - SC Finance and Investments Private Limited,
 - Hermes Commerce Private Limited,
 - Renaissance Commerce Private Limited and
 - Shapoorji Pallonji Oil & Gas Private Limited (the entity has applied to RBI for registration as CIC).
84. The following matter has been included in the financial statements of Forbes Technosys Limited (FTL), a subsidiary, which is reproduced as follows:
- Common Control Business Combination**
- The NCLT, in its order dated September 16, 2022 ('the Order') approved the Composite Scheme of Arrangement for amalgamation of Forbes Campbell Service Limited ('FCSL') into the Company and reduction of share capital of the Company ('the Scheme').
- Pursuant to the Order, the Appointed Date of the Scheme is fixed at October 01, 2021 and the Scheme has become effective from September 29, 2022 i.e. the last date on which the certified copy of the Order was filed with the Registrar of the Companies by the both companies.
- The amalgamation has been accounted by applying the principles as set out in Appendix C of INDAS 103 "Business Combinations" and in accordance with the Ministry of Corporate Affairs (MCA) circular dated August 21, 2019, the Company has considered the Appointed Date i.e. October 01, 2021 as the date of amalgamation.
- Accordingly, the Company has prepared its financial results for nine months ended December 31, 2022 after giving effect to the aforesaid Scheme and figures for the corresponding quarter and nine months ended December 31, 2021 and for the year ended March 31, 2022 have been restated to give effect to the Scheme with effect from October 01, 2021.
- On the Scheme becoming effective and with effect from the Appointed Date, the Company has-
- A. Accounted an aggregate gain of ₹ 16,416.65 lakhs directly in retained earnings to the extent pertaining to equity portion and a gain of ₹ 379.97 lakhs on reduction of liability portion of preference share, on proportionate reduction of -
- a) its equity share capital by cancelling 9,39,48,228 equity shares of ₹ 10 each for a consideration of ₹ 0.001 per share.
- b) its preference share capital by cancelling 6,13,80,000 10% Optionally Convertible Redeemable Preference Shares (OCRPS) of ₹ 10 each for a consideration of ₹ 0.001 per share.
- c) its preference share capital by cancelling 99,00,000 0.10% Non-Convertible Redeemable Preference shares (NCRPS) of ₹ 10 each for consideration of ₹ 0.001 per share.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

(₹ In lakhs)

Reduction of Share Capital	Capital reduced	Consideration payable	Gain on reduction
Equity Shares	9,394.82	0.94	9,393.88
Preference shares (instruments wholly equity in nature)	6,138.00	0.61	6,137.39
Preference shares (equity component)	885.48	0.10	885.38
Total	16,418.30	1.65	16,416.65

Reduction of Liability Component	Principal reduced	Interest accrued	Gain on reduction
Preference shares (liability component including interest accrued thereon)	1.05	378.92	379.97

- B. Accounted for amalgamation of FCSL as per pooling of interest method by combining the assets, liabilities and reserves of the FCSL at their carrying amounts with only such adjustments which are required to harmonise the accounting policies. The consideration for amalgamation was payable to the shareholders of FCSL in the form of 2,60,000 6% Non-cumulative Non-convertible Redeemable Preference Shares (NCRPS) of ₹ 10 each in proportion of their holdings in FCSL on Record Date of October 15, 2022 as approved by the Board of Directors. Consequently, the Company has issued abovementioned NCRPS of Rs. 26 Lakhs on March 31, 2023. The difference between the consideration issuable and the capital of FCSL, after adjustments for changes in deferred taxes, have been transferred to capital reserve on amalgamation (debit balance).

Particulars	Amount	Amount
Assets taken over (A)		29.99
Liabilities taken over (B)		(4.06)
Retained earnings taken over (C)		(21.07)
Net Balances Taken over (D = A+B+C)		4.86
Purchase Consideration (E)		
Equity component of NCRPS	7.22	
Liability component of NCRPS	18.78	(26.00)
Capital Reserve on amalgamation (Debit balance) (F = D-E)		21.14

During the year ended 31st March 2023 capital reduction pursuant to the Composite Scheme of Arrangement between FTL and Forbes Campbell Services Limited resulted into extinguishment of liability portion of the composite financial instruments NCRPS as at Appointed Date. Accordingly, the gain on such extinguishment of ₹ 380 Lakhs have been presented as exceptional item in the Statement from the date of the appointed date.

85. The Company has made a provision for doubtful loans & advances granted to Forbes Concept Hospitality Services Private Limited (FCHSPL) amounting to ₹ 18 lakhs during the quarter and year ended 31st March 2023.

86. The Consolidated financial statements were approved by the Board of Directors of the Group at their meeting held on 26th May, 2023.

In terms of our report of even date

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

Parthiv S. Desai
Partner
Membership Number: (F).042624

NIRMAL JAGAWAT
Chief Financial Officer

RUPA KHANNA
Company Secretary
Membership No : A33322

Place: Mumbai
Date: 26th May, 2023

For and on behalf of the Board of Directors

M. C. TAHILYANI
Managing Director
DIN : 1423084

JAI L. MAVANI
Director
DIN : 05260191

Place: Mumbai
Date: 26th May, 2023



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