FORBES & COMPANY LIMITED

FINANCIAL STATEMENTS OF
SUBSIDIARY COMPANIES
FOR THE YEAR ENDED 2020-2021

FORBES & COMPANY LIMITED

Financial Statements of Subsidiary Companies
for the year ended
2020-2021

Contents

AQUAIGNIS TECHNOLOGIES PRIVATE LIMITED
(a wholly owned subsidiary Company of
Eureka Forbes Limited)

Financial Statements
For the Year ended March 31, 2021

INDEPENDENT AUDITOR'S REPORT

To the Members of Aquaignis Technologies Pvt

Ltd **Report on the Audit of the Financial**

Statements Opinion

We have audited the accompanying financial statements of Aquaignis Technologies Pvt Ltd ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account

d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, there is no remuneration paid by the Company to its directors during the year under the provisions of section 197 of the Act

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company does not have any pending litigations that would impact its financial position;

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For BATLIBOI & PUROHIT
Chartered Accountants
ICAI Firm Reg. No.101048W

Kaushal Mehta
Partner
Membership No.111749
ICAI UDIN :

Place : Mumbai
Date : 21 May,
2021

Annexure - A to the Auditors' Report

(referred to in paragraph 1 under 'Report on Other Legal and regulatory requirements' section of our report to the members of the Company of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets.

(b) Fixed Assets have not been physically verified by the management during the year, hence we are not able to comment on discrepancies if any.

(c) The company does not have ownership of any immovable property.

(ii) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion the frequency of such verification is reasonable. Discrepancies noticed on verification between the physical stocks and book records were not material.

(iii) The Company has not granted loans secured or unsecured to bodies corporate, Firms, Limited Liability Partnerships covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act') Accordingly paragraph 3(iii) of the order is not applicable to the company.

(iv) The Company has not granted any Loans, made Investments, given Guarantees and Security under Section 185 and 186 of the Act. Thus paragraph 3(iv) of the Order is not applicable to the Company.

(v) The Company has not accepted any deposits from the public during the year within the meaning of the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.

(vi) To the best of our knowledge and as explained the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the products of the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, employees' state insurance, duty of excise, service tax, Goods and service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, employees' state insurance, duty of excise, service tax, Goods and service tax, cess and other material statutory dues were in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.

(b) According to information and explanations given to us, no dues on account of provident fund, income tax, sales tax, value added tax, duty of customs, employees' state insurance, duty of excise, service tax, Goods & Service Tax and other material statutory dues were outstanding on account of disputes.

(viii) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of loans to banks. There were no borrowings from financial institution, Government or debenture holders anytime during the year.

(ix) The Company did not raise any money by way of Initial Public Offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) The company has not paid any remuneration to Managerial Personnel, hence paragraph 3(xi) of the order is not applicable.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the Related Parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS Financial Statements as required by the applicable Accounting Standards.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For BATLIBOI & PUROHIT
Chartered Accountants
ICAI Firm Reg. No.101048W

Kaushal Mehta
Partner
Membership No.111749
ICAI UDIN :

Place : Mumbai
Date : 21 May,
2021

Annexure - B to the Auditors' Report

(referred to in paragraph 2 under 'Report on Other Legal and regulatory requirements' section of our report to the members of the Company of even date)

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

We have audited the Internal Financial Controls over financial reporting of Aquaignis Technologies Pvt Ltd ("the Company") as of March 31, 2021 in conjunction with our audit of the Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining Internal Financial Controls based on the Internal Control over Financial Reporting criteria established by the Company considering the essential components of Internal Control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's Internal Financial Controls over Financial Reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an Audit of Internal Financial Controls, both applicable to an Audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain Reasonable Assurance about whether adequate Internal Financial Controls over Financial Reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls system over Financial Reporting and their operating effectiveness. Our audit of Internal Financial Controls over Financial Reporting included obtaining an understanding of Internal Financial Controls over Financial Reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of Internal Control based on the assessed risk. The procedures selected depend on the Auditor's Judgment, including the assessment of the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's Internal Financial Controls system over Financial Reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's Internal Financial Control over Financial Reporting is a process designed to provide reasonable assurance regarding the reliability of Financial Reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted Accounting Principles. A company's Internal Financial Control over Financial Reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For BATLIBOI & PUROHIT
Chartered Accountants
ICAI Firm Reg. No.101048W

Kaushal Mehta
Partner
Membership No.111749
ICAI UDIN :

Place : Mumbai
Date : 21 May 2021

AQUAIGNIS TECHNOLOGIES PRIVATE LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2021

			Notes	As at March 31, 2021 ₹	₹	As at March 31, 2020 ₹	₹
		ASSETS					
		Non-current Assets					
(a)		Property, plant and equipment	4		1,35,65,971		1,54,01,117
(b)		Right of use of Assets	4		57,72,533		87,25,760
(d)		**Financial assets**					
	(i)	Other financial assets	8	2,00,977	2,00,977	1,85,524	1,85,524
(e)		Tax assets					
	(i)	Income Tax Asset (Net)	11	1,14,632		73,980	
	(ii)	Deferred Tax Asset (Net)	12	-	1,14,632	-	73,980
(f)		Other non-current assets	10		-		-
		Total Non-current Assets			**1,96,54,113**		**2,43,86,381**
		Current Assets					
(a)		Inventories	6		1,35,54,751		1,62,21,147
(b)		Financial assets					
	(i)	Trade receivables	7	1,31,92,328		1,59,81,518	
	(ii)	Cash and cash equivalents	9	67,258	1,32,59,586	1,45,075	1,61,26,593
(c)		Other current assets	10		1,05,28,063		37,38,176
					3,73,42,400		3,60,85,916
		Total Current Assets			**3,73,42,400**		**3,60,85,916**
		Total Assets			**5,69,96,513**		**6,04,72,297**

BALANCE SHEET AS AT 31ST MARCH, 2021

		Notes	As at March 31, 2021 ₹	₹	As at March 31, 2020 ₹	₹
	EQUITY AND LIABILITIES					
	Equity					
(a)	Equity share capital	13	5,85,57,340		5,85,57,340	
(b)	Other Equity	14	(3,42,56,605)		(2,76,23,574)	
	Equity attributable to owners of the Company			2,43,00,735		3,09,33,766
	Total Equity			2,43,00,735		3,09,33,766
	Liabilities					
	Non-current Liabilities					
(a)	Financial Liabilities					
(i)	Lease Liabilities	17	38,07,562		68,17,297	
(ii)	Other financial liabilities	17	-	38,07,562	-	68,17,297
(b)	Provisions	18		1,50,750		1,29,423
	Total Non-current Liabilities			39,58,312		69,46,720
	Current liabilities					
(a)	Financial liabilities					
(i)	Borrowings	15	1,68,63,266		1,36,50,090	
(ii)	Trade and other payables :					
	Total outstanding dues to micro enterprise and small enterprises.		38,62,225		16,51,048	
	Total outstanding dues to creditors other than micro enterprise and small enterprises.	16	43,10,516		38,31,053	
(iii)	Lease Liabilities	17	29,01,743		26,53,689	
(iv)	Other financial liabilities	17	7,02,885	2,86,40,635	6,67,953	2,24,53,833

BALANCE SHEET AS AT 31ST MARCH, 2021

		Notes	As at March 31, 2021 ₹	₹	As at March 31, 2020 ₹	₹
(b)	Provisions	18		4,305		3,187
(c)	Other current liabilities	19		92,526		1,34,791
				2,87,37,466		2,25,91,811
	Total Current Liabilities			**2,87,37,466**		**2,25,91,811**
	Total Liabilities			**3,26,95,778**		**2,95,38,531**
	Total Equity and Liabilities			**5,69,96,513**		**6,04,72,297**
				-		-

As per our report of even date

For and on behalf of the Board of Directors

Significant accounting policies 3

The notes referred to above form an integral part of the financial statements

For Batliboi & Purohit
Chartered Accountants
Firm regn No.101048W

Mr. Marzin Roomi Shroff
Ms. Kavita Gandhi
Directors

Kaushal Mehta
Partner
Membership No. 111749

Mr. Chintan Kamdar *Company Secretary*

Place: Mumbai
Date: 21st May 2021

Statement of Profit and Loss for the year ended 31st March, 2021

		Notes	For the year ended March 31, 2021 ₹	For the year ended March 31, 2020 ₹
I	**Income**			
	Revenue from Operations	20	6,77,92,223	7,30,91,396
	Other income and other gains / (losses)	21	16,15,632	12,14,509
	Total Income		**6,94,07,855**	**7,43,05,905**
II	**Expenses**			
	Cost of materials consumed		5,83,87,181	5,63,83,981
	Purchases of stock-in-trade	22	8,10,021	17,01,593
	Changes in inventories of finished goods, stock-in-trade and work-in-progress		(3,77,998)	18,15,891
	Employee benefits expense	23	16,00,614	15,43,664
	Finance costs	24	25,04,119	25,00,417
	Depreciation and amortisation expense	25	46,19,393	46,75,137
	Other expenses	26	84,96,592	92,39,088
	Total expenses		**7,60,39,922**	**7,78,59,771**
III	**Profit / (Loss) before exceptional items and tax**		**(66,32,067)**	**(35,53,866)**
	Add/ (Less) : Exceptional items			-
IV	**Profit / (Loss) before tax**		**(66,32,067)**	**(35,53,866)**
	Less: Tax expense			
(1)	Current tax		-	-
(2)	Deferred tax		-	-
			-	-
V	**Profit / (Loss) for the year**		**(66,32,067)**	**(35,53,866)**
VI	**Profit / (Loss) for the year**		**(66,32,067)**	**(35,53,866)**
VII	**Other Comprehensive Income**			
A	Items that will not be reclassified to profit or loss			
(a)	Remeasurements of the defined benefit plans		**(964)**	**(1,520)**
(b)	Equity instruments through other comprehensive income		**-**	**-**
(c)	Income tax relating to items that will not be reclassified to profit or loss		-	-
			(964)	**(1,520)**
B	Items that may be reclassified to profit or loss			
(a)	Income tax relating to items that may be reclassified to profit or loss		-	-
			-	**-**
	Total other comprehensive income (A + B)		**(964)**	**(1,520)**
	Total comprehensive income for the period (VII+VIII)		**(66,33,031)**	**(35,55,386)**
	Earnings per equity share:	27		
	(1) Basic & Diluted (in Rs.)		(1.13)	(0.61)

As per our report of even date

For and on behalf of the Board of Directors

Significant accounting policies **3**

The notes referred to above form an integral part of the financial statements

For Batliboi & Purohit
Chartered Accountants
Firm regn No.101048W

Mr. Marzin Roomi Shroff
Ms. Kavita Gandhi
Directors

Kaushal Mehta
Partner
Membership No. 111749

Mr. Chintan Kamdar *Company Secretary*

Place: Mumbai
Date: 21st May 2021

Cash Flow Statement for the year ended 31st March, 2021

	Notes	Year ended March 31, 2021	Year ended March 31, 2020
		₹	₹
Cash flows from operating activities			
Profit / Loss for the year		(66,32,067)	(35,53,866)
Adjustments for:			
Finance costs		17,05,743	14,74,751
Finance costs recognised in profit or loss for Lease Liability as per Ind AS 116		7,98,376	10,25,666
Interest Income		(15,453)	(13,128)
Depreciation and amortisation of non-current assets		18,47,059	18,36,357
Depreciation and amortisation of non-current assets of financial leased assets as per Ind AS 116		27,72,334	28,38,780
Loss/ (Gain) on disposal of property, plant and equipment		2,373	-
Net foreign exchange (gain)/loss - unrealised		55,716	(1,75,348)
		5,34,081	**34,33,212**
Movements in working capital:			
(Increase)/decrease in trade and other receivables		27,89,190	(34,14,026)
(Increase)/decrease in inventories		26,66,396	14,75,811
(Increase)/decrease in current Other Assets		(67,89,887)	(17,64,889)
Increase/ (Decrease) in trade and other payables		26,34,924	(16,62,164)
Increase/(Decrease) in provisions		21,481	23,058
Increase/(Decrease) in other liabilities		(7,333)	(4,26,421)
		13,14,771	(57,68,631)
Cash generated from operations		**18,48,852**	**(23,35,419)**
Income taxes paid		(40,652)	(69,398)
Net cash generated by operating activities		**18,08,200**	**(24,04,817)**
Cash flows from investing activities			
Payments for property, plant and equipment		(16,000)	(2,15,225)
Proceeds from disposal of property, plant and equipment		1,714	-
Net cash (used in)/generated by investing activities		(14,286)	(2,15,225)
Cash flows from financing activities (Refer note)			
Net increase / (decrease) in working capital borrowings		32,13,176	72,49,283
Interest paid		(17,05,743)	(14,74,751)
Principal payment of Lease liabilities		(33,79,164)	(31,19,220)
Net cash used in financing activities		(18,71,731)	26,55,312
Net increase in cash and cash equivalents		(77,817)	35,270
Cash and cash equivalents at the beginning of the year		1,45,075	1,09,805
Cash and cash equivalents at the end of the year		**67,258**	**1,45,075**

Note: All changes in liabilities arising from financial activities during the year were comprising of cash flow movements and no non-cash adjustments were made

Movement in Short-term Borrowings

Particulars	2020-21	2019-20
Opening balance	1,36,50,090	64,00,807
Cash in-flows	4,60,92,779	1,96,31,321
Cash out-flows	4,93,05,954	2,68,80,604
Closing balance	1,68,63,265	1,36,50,090

As per our report of even date

For and on behalf of the Board of Directors

The notes referred to above form an integral part of the financial statements

For Batliboi & Purohit
Chartered Accountants
Firm regn No.101048W

Mr. Marzin Roomi Shroff

Ms. Kavita Gandhi

Directors

Kaushal Mehta
Partner
Membership No. 111749

Mr. Chintan Kamdar *Company Secretary*

Place: Mumbai
Date: 21st May 2021

Statement of changes in equity for the year ended March 31, 2020

a. Equity share capital	Amount ₹
Balance at April 1, 2019	5,85,57,340
Changes in equity share capital during the year	-
Balance at March 31, 2020	**5,85,57,340**
Changes in equity share capital during the year	-
Balance at March 31, 2021	**5,85,57,340**

B. Other Equity

	Reserves and surplus		Items Of Other Comprehensive Income		
	Retained earnings	Total	Other items of other comprehensive income (re-measurement of defined benefits)	Total	Total Other Equity
	₹	₹	₹	₹	₹
Balance at March 31, 2019	**(2,40,68,188)**	**(2,40,68,188)**	**-**	**-**	**(2,40,68,188)**
Profit for the year	(35,53,866)	(35,53,866)		-	(35,53,866)
Other comprehensive income for the year, net of income tax		-	(1,520)	(1,520)	(1,520)
Total comprehensive income for the year	**(35,53,866)**	**(35,53,866)**	**(1,520)**	**(1,520)**	**(35,55,386)**
Transfer to retained earnings	(1,520)	(1,520)	1,520	1,520	-
Balance at March 31, 2020	**(2,76,23,574)**	**(2,76,23,574)**	**-**	**-**	**(2,76,23,574)**
Profit/ (Loss) for the year	(66,32,067)	(66,32,067)		-	(66,32,067)
Other comprehensive income for the year, net of income tax		-	(964)	(964)	(964)
Total comprehensive income for the year	**(66,32,067)**	**(66,32,067)**	**(964)**	**(964)**	**(66,33,031)**
Transfer to retained earnings	(964)	(964)	964	964	-
Balance at March 31, 2021	**(3,42,56,605)**	**(3,42,56,605)**	**-**	**-**	**(3,42,56,605)**

As per our report of even date

For and on behalf of the Board of Directors

For Batliboi & Purohit
Chartered Accountants
Firm regn No.101048W

Mr. Marzin Roomi Shroff
Ms. Kavita Gandhi
Directors

Kaushal Mehta
Partner
Membership No. 111749

Mr. Chintan Kamdar *Company Secretary*

Place: Mumbai
Date: 21st May 2021

1. Reporting entity

Aquaignis Technologies Private Limited (the ‘Company’) is a Company domiciled in India, with its registered office situated at B1/B2, 7th Floor, 701, Marathon Innova, Off. Ganpatrao Kadam Marg, Lower Parel, Mumbai, Mumbai City Maharashtra 400013. The Company is a 100% subsidiary of Eureka Forbes Limited, a Company incorporated under the Companies Act, 1956. The Company is primarily involved in manufacturing of electric water purifier.

The manufacturing facility of the Company is located at Khasra No. 3946, 3961 and 3962, Lal Tappar Industrial Area, Majri Grant, Dehradun Haridwar Highway, Dehradun - 248140 in the State of Uttarakhand.

2. Basis of preparation

a. Statement of compliance

These financial statements are prepared in accordance with Indian Accounting Standard (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.
Details of the Company’s accounting policies are included in Note 3.

b. Functional and presentation currency

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

c. Basis of measurement

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

d. Use of estimates and judgements

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

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

Judgments

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is

included in the following notes:
- Note 3(c)(iii) and 4 – useful life of Property, plant and equipment
- Note 3(d)(iii) and 5 – useful life of Intangible assets
- Note 3(g) and 36 – employee benefit plans
- Note 3(h) and 28 – provisions and contingent liabilities
- Note 3(l) – Income taxes
- Note 3(j) and 32 – Lease classification

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2019 is included in the following notes:
-Note 28 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
-Note 34 – recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;

e. Measurement of fair values

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

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

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

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

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.
- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

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

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

3. Significant accounting polices

a. Foreign currency transactions

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

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

b. Financial instruments

i. *Recognition and initial measurement*

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii. *Classification and subsequent measurement*

Financial assets

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

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

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

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

that are solely payments of principal and interest on the principal amount outstanding. The Company does not have any financial assets within this category.

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

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

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amotised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

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

iii. *De-recognition*

Financial assets

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

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

Financial liabilities

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

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

iv. *Offsetting*

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

C. Property, plant and equipment

i. Recognition and measurement

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

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

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

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

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

ii. Subsequent expenditure

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

iii. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is recognised in the statement of profit and loss.
The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Asset	Management estimate of useful life	Useful life as per Schedule II of the Companies Act, 2013
Plant and machinery (including moulds)	15 years	15 years
Office equipments	5 years	5 years
Furniture and fixtures	10 years	10 years
Computers	3 years	3 years
Electric fittings	10 years	10 years

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

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

d. Intangible assets

i. Acquired intangible

Intangible assets comprise purchased technical know-how are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

ii. Subsequent expenditure

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

iii. Amortisation

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

Intangible assets are amortised over a period of 10 years for technical know how and 3 years for others.

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

e. Inventories

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

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

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

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

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

f. Impairment

i. Impairment of financial instruments

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

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:
- bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

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

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

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

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

ii. Impairment of non-financial assets

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

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

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

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

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

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

g. Employee benefits

i. *Short-term employee benefits*

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

ii. *Defined contribution plans*

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

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

iii. Defined benefit plans

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

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

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

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

iv. Other long-term employee benefits

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

h. Provisions and contingent liabilities

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

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

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

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

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

i. Revenue

Revenue from sale of goods is recognised when control of the products being sold is transferred to our customer and when there are no longer any unfulfilled obligations.
The Performance Obligations in our contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms.
Revenue is measured on the basis of contracted price, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the Government such as goods and services tax, etc. Accumulated experience is used to estimate the provision for such discounts and rebates.
Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.
Our customers have the contractual right to return goods only when authorised by the Company. An estimate is made of goods that will be returned and a liability is recognised for this amount using a best estimate based on accumulated experience.
Income from services rendered is recognised based on agreements/arrangements with the customers as the service is performed and there are no unfulfilled obligations.
Interest income is recognised using the effective interest rate (EIR) method.

j. Leases

- Ind AS 116 Leases: The Company has adopted modified simplified approach under Ind AS 116 - Leases, with effect from April 01, 2019. Accordingly, the Company has recognised 'Right of use (ROU)' assets of Rs. 115.65 lakhs, accumulated amortisation of Rs. NIL and present value of lease liabilities of Rs. 115.65 lakhs as on April 01, 2019.
  In the statement of profit and loss for the year, instead of rent expenses (as accounted under previous periods), amortisation of right of use has been accounted under depreciation and amortisation expenses and unwinding of discount on lease liabilities has been accounted under finance cost. The impact on the profits / (loss) for the year due to the above change in accounting policy is additional expense of Rs. 7.45 lakhs.
  The Company's leases primarily consist of leases of land and office premises. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to

control the use of an identified asset for a period of time in exchange for consideration.

At the date of commencement of the lease, the Company recognizes a ROU and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and/or low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Currently, ROU assets are being amortised over a period of 3-5 years based on lease term being lower of lease term and estimated useful life of underlying assets.

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

k. Recognition of interest income or expense

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

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

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

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

l. Income tax

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

i. Current tax

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

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

ii. Deferred tax

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

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

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

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

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

m. Earnings per share

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

n. Recent amendments to Indian Accounting Standards:

On 24 July 2020, the Ministry of Corporate Affairs (MCA) had issued amendments to certain Ind AS as follows:

i. **Ind AS 103 - Business Combinations:**
The definition of the term "business" has been revised. An optional test has been introduced to identify concentration of fair value to permit a simplified assessment of whether an acquired set of activities and assets is not a business. Additional guidance with elements of business and on assessing whether an acquired process is substantive. An entity is required to apply the amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after the 1 April 2020 and to asset acquisitions that occur on or after the beginning of that period. There was no impact on the financial statements of the Company on adoption of the above amendments for the year.

ii. **Ind AS 107 - Financial Instruments: Disclosures:**
Additional disclosures have been introduced for uncertainties arising from interest rate benchmark reforms consequential to the hedge accounting related amendments in the Ind AS 109 – Financial Instruments. The Company did not have any transactions during the year to which these amendments were applicable.

iii. **Ind AS 109 - Financial Instruments:**
Temporary exceptions from applying specific hedge accounting requirements have been introduced for all hedging relationships directly affected by ‘interest rate benchmark reform’. (i.e. the market-wide reform of an interest rate benchmark, including the replacement of an interest rate benchmark with an alternative benchmark rate). This amendment is effective for annual reporting periods beginning on or after 1 April 2020. The Company did not have any transactions during the year to which these amendments were applicable.

iv. **Ind AS 116 - Leases:**
A Practical expedient has been allowed to permit lessees to exclude COVID-19 related rent concessions to be treated as a lease modification. This amendment is applicable to the Company from annual reporting periods beginning on or after 1 April 2020. There were no rent concessions during the year and accordingly, there was no impact on the financial statements of the Company on adoption of the above amendments for the year.

v. **Ind AS 1 - Presentation of Financial Statements and Ind AS 8 -Accounting Policies, Changes in Accounting Estimates and Errors (and consequential amendments to other Ind AS):**
The definition of the term “material” has been revised and is applicable prospectively for annual periods beginning on or after 1 April 2020. Consequent to the revised definition of “material”, certain amendments were also notified in the Ind AS 10 - Events after the Reporting Period, Ind AS 34 - Interim Financial Reporting and Ind AS 37 -Provisions, Contingent Liabilities and Contingent Assets.
There was no impact on the financial statements of the Company on adoption of this amendment for the year.

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

Notes to the financial statements for the year ended March 31, 2021

4. Property Plant and Equipment

Cost or Deemed Cost	Leasehold Improvements	Plant & Equipment	Moulds of Water Purifier	Furniture & Fixtures	Electrical Installations and Equipment	Computers	Office Equipment	Right to Use Assets	Lab & Testing Equipments	Total
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
As at 31st March,2019	39,24,576	1,58,12,642	67,65,249	7,13,699	20,57,758	3,71,404	11,999	0	12,51,177	3,09,08,504
Additions	-	75,700	-	1,39,525	-	-	-	1,15,64,540	-	1,17,79,765
Deletions	-	-	-	-	-	-	-	-	-	-
As at 31st March,2020	39,24,576	1,58,88,342	67,65,249	8,53,224	20,57,758	3,71,404	11,999	1,15,64,540	12,51,177	4,26,88,269
Additions	-	16,000	-	-	-	-	-	-	-	16,000
Deletions	-	-	-	-	-	81,743	-	1,80,893	-	2,62,636
As at 31st March,2021	39,24,576	1,59,04,342	67,65,249	8,53,224	20,57,758	2,89,661	11,999	1,13,83,647	12,51,177	4,24,41,633

Depreciation	Leasehold Improvements	Plant & Machinery	Moulds of Water Purifier	Furniture & Fixtures	Electrical Equipment	Computers	Office Equipment	Right to Use Assets	Lab & Testing Equipments	Total
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
As at 31st March,2019	39,24,576	56,23,699	21,09,193	3,64,560	8,52,763	3,52,833	7,394	0	6,51,237	1,38,86,255
Charge for the year	0	10,14,093	4,25,960	74,943	1,96,393	0	2,277	28,38,780	1,22,691	46,75,137
Deletions	-	-	-	-	-	-	-		-	-
As at 31st March,2020	39,24,576	66,37,792	25,35,153	4,39,503	10,49,156	3,52,833	9,671	28,38,780	7,73,928	1,85,61,392
Charge for the year	0	10,18,586	4,25,960	81,701	1,96,393	0	1,728	27,72,334	1,22,691	46,19,393
Deletions	-	-	-	-	-	77,656	-	-	-	77,656
As at 31st March,2021	39,24,576	76,56,378	29,61,113	5,21,204	12,45,549	2,75,177	11,399	56,11,114	8,96,619	2,31,03,129
Net Block										
As at 31st March,2021	-	82,47,964	38,04,136	3,32,020	8,12,209	14,484	600	57,72,533	3,54,558	1,93,38,504
As at 31st March,2020	-	92,50,550	42,30,096	4,13,721	10,08,602	18,571	2,328	87,25,760	4,77,249	2,41,26,877
As at 31st March,2019	-	1,01,88,943	46,56,056	3,49,139	12,04,995	18,571	4,605	-	5,99,940	1,70,22,249

5. Intangibles

Cost or Valuation	Software ₹	Total ₹
As at 31st March,2019	1,16,742	1,16,742
Additions	-	-
Deletions	-	-
As at 31st March,2020	1,16,742	1,16,742
Additions	-	-
Deletions	-	-
As at 31st March,2021	1,16,742	1,16,742

Depreciation	Software ₹	Total ₹
As at 31st March,2019	1,16,742	1,16,742
Charge for the year	-	-
Deletions	-	-
As at 31st March,2020	1,16,742	1,16,742
Charge for the year	-	-
Deletions	-	-
As at 31st March,2021	1,16,742	1,16,742

Net Block		
As at 31st March,2021	-	-
As at 31st March,2020	-	-

Notes to the financial statements for the year ended March 31, 2021 - continued

6. Inventories

Particulars	As at March 31, 2021 ₹	As at March 31, 2020 ₹
a) Inventories (lower of cost and net realisable value)		
Finished Goods	6,95,682	3,17,684
Raw Material, Components and Packing Material {includes in transit ₹ Nil (*Previous year: ₹45,87,472/-*)}	1,28,59,069	1,59,03,463
	1,35,54,751	1,62,21,147

Financial Assets

7. Trade receivables

Particulars	Non Current		Current	
	As at March 31, 2021 ₹	As at March 31, 2020 ₹	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Trade receivables :				
Unsecured, Debts due from related parties, considered good	-	-	1,31,92,328	1,59,81,518
Total	-	-	1,31,92,328	1,59,81,518

7.1 Trade receivables

(i) The average credit period on sales is 60 days. Company's all receievable are of related party.
(ii) The company has taken cash credit facility amounting to Rs. 2 crores from Axis Bank which is secured by a floating charge on entire current assets and movable fixed assets and carries interest @ 9.75% p.a.

8. Other financial assets

Particulars	Non Current		Current	
	As at March 31, 2021 ₹	As at March 31, 2020 ₹	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Bank deposits with more than 12 months maturity	1,26,520	1,26,520	-	-
Security deposits - unsecured considered good - to related parties	9,400	9,400	-	-
Interest Accrued - on fixed deposits with Banks	65,057	49,604	-	-
	2,00,977	1,85,524	-	-

9. Cash and cash equivalents

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

Particulars	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Balances with Banks in current accounts	67,258	1,45,075
Cheques, drafts on hand	-	-
Total Cash & Cash Equivalents	**67,258**	**1,45,075**
Bank Balances other than Cash & Cash Equivalents		
Deposits with original maturity of more than 12 months *	1,26,520	1,26,520
Amount disclosed under non-current assets (Note 8)	(1,26,520)	(1,26,520)
Total Bank Balances other than Cash & Cash Equivalents	**-**	**-**
Cash and cash equivalents as per statement of cash flows	67,258	1,45,075

10. Other assets

Particulars	Non Current		Current	
	As at March 31, 2021 ₹	As at March 31, 2020 ₹	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Capital Advances	-	-	-	-
Advances to suppliers	-	-	51,52,780	13,07,906
Prepaid expenses	-	-	3,86,358	1,08,138
Advances recoverable in cash or kind	-	-	12,464	23,969
Balance with statutory/ government authorities	-	-	49,76,461	22,98,163
Total	-	-	1,05,28,063	37,38,176

11. Income tax assets

Particulars	Non Current		Current	
	As at March 31, 2021 ₹	As at March 31, 2020 ₹	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Current tax assets (Net)				
Advance income-tax (Net of provision of taxation)	1,14,632	73,980	-	-
Total	1,14,632	73,980	-	-

Notes to the financial statements for the year ended March 31, 2021 - continued

12. Deferred tax balances

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

Particulars	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Deferred tax assets	11,34,303	12,44,851
Deferred tax liabilities	11,34,303	12,44,851
Net	-	-

Particulars	Property, plant and equipment	Provisions - Impact of expenditure charged to the profit and loss in the current year but allowed for tax on payment basis	On Account of Lease liability	On account of brought forward losses and unabsorbed depreciation	Total
Deferred tax (liabilities)/assets in relation to:					
Net balance April 1, 2019	(12,94,750)	20,288	-	12,74,462	-
Recognised in profit or loss	49,899	14,191	1,93,759	(2,57,849)	-
Recognised in other comprehensive income					
Closing balance March 31, 2020	(12,44,851)	34,479	1,93,759	10,16,613	-
Recognised in profit or loss	1,10,548	5,835	49,802	(1,66,185)	-
Recognised in other comprehensive income					
Closing balance March 31, 2021	(11,34,303)	40,314	2,43,561	8,50,428	-

Unrecognised deductible temporary differences, unused tax losses and unused tax credits

Particulars	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following:		
Tax losses (revenue in nature)	32,54,344	24,24,727
Total	32,54,344	24,24,727

Notes to the financial statements for the year ended March 31, 2021 - continued

13. Equity Share Capital

Particulars	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Equity share capital	5,85,57,340	5,85,57,340
Total	5,85,57,340	5,85,57,340
Authorised Share capital :		
75,00,000 fully paid equity shares of ₹ 10 each	7,50,00,000	7,50,00,000
Issued and subscribed capital comprises:		
58,55,734 fully paid equity shares of ₹.10 each (as at March 31, 2019: 58,55,734)	5,85,57,340	5,85,57,340
	5,85,57,340	5,85,57,340

13.1 Fully paid equity shares

Particulars	Number of shares	Share capital ₹
Balance at March 31, 2020	58,55,734	5,85,57,340
Add: Issued during the year	-	-
Less: Bought back during the year	-	-
Balance at March 31, 2021	**58,55,734**	**5,85,57,340**

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

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of shares held	% holding in the class of shares	Number of shares held	% holding in the class of shares
Fully paid equity shares				
Eureka Forbes Limited	58,55,734	100%	58,55,734	100%
Total	**58,55,734**	**100%**	**58,55,734**	**100%**

14A. Other equity

Particulars	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Retained earnings		
Balance at beginning of year	(2,76,23,574)	(2,40,68,188)
Add/ (less): Profit/ (loss) for the year	(66,32,067)	(35,53,866)
Add: Transfer from other comprehensive income	(964)	(1,520)
Balance at end of the year	**(3,42,56,605)**	**(2,76,23,574)**
Items of Other Comprehensive Income		
Balance at beginning of year	-	-
Other comprehensive income arising from re-measurement of defined benefit obligation net of income tax	(964)	(1,520)
Less: Transfer to retained earnings	964	1,520
Balance at end of the year	-	-
Total	(3,42,56,605)	(2,76,23,574)

14B. 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 Note 15 offset by cash and bank balances) and equity of the Company (comprising issued capital, reserves and retained earnings as detailed in Notes 13).

The gearing ratio were as follow:

Gearing ratio

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

Particulars	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Debt (i)	1,68,63,266	1,36,50,090
Less: Cash and cash equivalent	67,258	1,45,075
Net debt	1,67,96,008	1,35,05,015
Equity (ii)	2,43,00,735	3,09,33,766
Net debt to equity ratio (%)	*69.12*	*43.66*

Notes to the financial statements for the year ended March 31, 2021 - continued

Financial Liabilities

15. Current Borrowings

Particulars	As at March 31, 2021	As at March 31, 2020
Secured - at amortised cost		
(a) Loans repayable on demand		
-from banks (Cash credit/ Buyers credit) refer (i) below	1,68,63,266	1,36,50,090
Total	1,68,63,266	1,36,50,090

(i) Short term borrowing from banks is secured by hypothecation of entire current assets and movable fixed assets and carries interest @ 9.75% p.a. (Previous year 9.55% p.a.).

16. Trade payables

Particulars	Non Current		Current	
	As at March 31, 2021 ₹	As at March 31, 2020 ₹	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Trade payables (including acceptances) (Refer note below for dues to Micro and Small Enterprises)	-	-	76,18,906	52,78,757
Trade payables to related parties [Refer note 30]	-	-	5,53,835	2,03,344
Total	**-**	**-**	**81,72,741**	**54,82,101**

The average credit period for purchase of certain goods is 45 days.

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

Particulars	As at March 31, 2021 ₹	As at March 31, 2020 ₹
(i) Principal amount remaining unpaid to MSME suppliers as on year end	38,34,369	16,35,275
(ii) Interest due on unpaid principal amount to MSME suppliers as on year end	27,856	15,773
(iii) The amount of interest paid along with the amounts of the payment made to the MSME suppliers beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year (without adding the interest under MSME Development Act)	-	-
(v) The amount of interest accrued and remaining unpaid as on year end	-	-
(vi) The amount of interest due and payable to be disallowed under Income Tax Act, 1961	-	-

17. Other financial liabilities

Particulars	Non Current		Current	
	As at March 31, 2021 ₹	As at March 31, 2020 ₹	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Finance Lease Liabilities				
Lease Liability	38,07,562	68,17,297	29,01,743	26,53,689
	38,07,562	68,17,297	29,01,743	26,53,689
Others :-				
-Dues to employees	-	-	4,48,185	4,61,853
-Other Payables	-	-	2,54,700	2,06,100
Total	-	-	7,02,885	6,67,953

18. Provisions

Particulars	Non Current		Current	
	As at March 31, 2021 ₹	As at March 31, 2020 ₹	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Employee benefits - Compensated Absences	57,202	56,645	2,341	2,213
Gratuity payable	93,548	72,778	1,964	974
Total	**1,50,750**	**1,29,423**	**4,305**	**3,187**

19. Other Liabilities

Particulars	Non Current		Current	
	As at March 31, 2021 ₹	As at March 31, 2020 ₹	As at March 31, 2021 ₹	As at March 31, 2020 ₹
(a) Statutory liabilities (Contributions to PF,Pension, ESIC,withholding Taxes,VAT etc.)		-	92,526	1,34,791
Total	-	-	92,526	1,34,791

Notes to the financial statements for the year ended March 31, 2021 - continued

20. Revenue from operations

	Year ended 31 March 2021 ₹	Year ended 31 March 2020 ₹
(a) Sale of product		
- Finished Goods Domestic	5,34,69,406	5,91,89,937
- Finished Goods Export	1,02,69,875	75,40,991
- Traded Goods	10,46,831	29,00,658
(b) Other operating revenues		
Job Work	30,06,111	34,59,810
Total	**6,77,92,223**	**7,30,91,396**

21. Other Income and other gains/ (losses)

Other Income	Year ended 31 March 2021 ₹	Year ended 31 March 2020 ₹
Interest income earned on financial assets that are not designated as at fair value through profit or loss:		
Bank deposits (at amortised cost)	15,453	13,128
Miscellaneous Income	16,00,179	9,77,246
Reversal of expenses/ excess provisions	-	2,24,135
	16,15,632	**12,14,509**

22. Cost of materials consumed

	Year ended 31 March 2021 ₹	Year ended 31 March 2020 ₹
Inventory at the Beginning of the Year	1,59,03,463	1,55,63,383
Add:- Purchases	5,53,42,787	5,67,24,061
	7,12,46,250	**7,22,87,444**
Less:- Inventory at the End of the Year	1,28,59,069	1,59,03,463
Cost of Raw Material, Components and Packing Material Consumed	5,83,87,181	5,63,83,981
Purchase of Traded Goods	8,10,021	17,01,593
Finished goods		
Opening Stock	3,17,684	21,33,575
Less : Closing stock	6,95,682	3,17,684
Changes in inventories of finished goods, work-in-progress and stock-in-trade.	(3,77,998)	18,15,891
Total	5,88,19,204	5,99,01,465

23. Employee benefits expense

Particulars	Year ended 31 March 2021 ₹	Year ended 31 March 2020 ₹
Salaries and Wages	14,98,386	12,81,994
Contribution to provident and other funds	71,100	82,192
Staff Welfare Expenses	31,128	1,79,478
Total	**16,00,614**	**15,43,664**

Notes to the financial statements for the year ended March 31, 2021 - continued

24. Finance costs

	Year ended 31 March 2021 ₹	Year ended 31 March 2020 ₹
Interest on bank overdrafts and loans (other than those from related parties)	15,86,580	13,87,022
Interest on Financing lease	7,98,376	10,25,666
Other borrowing costs	1,19,163	87,729
Total	**25,04,119**	**25,00,417**

25. Depreciation and amortisation expense

Particulars	Year ended 31 March 2021 ₹	Year ended 31 March 2020 ₹
Depreciation of property, plant and equipment pertaining to continuing operations	18,47,059	18,36,357
Depreciation On Right to Use Assets	27,72,334	28,38,780
Amortisation of intangible assets [Note 5]	-	-
Total depreciation and amortisation pertaining to continuing operations	**46,19,393**	**46,75,137**

26. Other expenses

Particulars	Year ended 31 March 2021 ₹	Year ended 31 March 2020 ₹
Power & Fuel	4,17,808	4,48,482
Rent	-	-
Repairs and Maintenance -		
Building	29,600	61,290
Machinery	38,811	8,290
Others	3,365	2,41,952
Insurance	1,22,971	1,22,469
Postage & Courier	48,633	14,242
Contract Labour Cost	41,44,906	56,91,231
Research and Development Exp.	8,950	8,000
Payment to Auditors (Refer details Below)	3,04,600	3,32,494
Printing and Stationery	31,137	61,058
Communication cost	27,790	20,540
Travelling and Conveyance	2,12,250	1,55,306
Legal and Professional Fees	6,27,000	7,85,000
Rates and taxes, excluding taxes on income	58,711	96,483
Logistics Expenses	9,19,053	5,54,137
Other Establishment Expenses	8,26,829	7,68,483
Exchange difference (net) (other than considered as finan	6,71,805	(1,30,369)
Loss on sale of fixed assets (net)	2,373	-
Total	**84,96,592**	**92,39,088**

Payments to auditors	Year ended 31 March 2021 ₹	Year ended 31 March 2020 ₹
a) For audit	2,34,000	2,34,000
b) For taxation matters	45,000	45,000
c) For company law matters	-	-
d) For other services	25,600	35,600
e) For reimbursement of expenses	-	17,894
Total	**3,04,600**	**3,32,494**

Notes to the financial statements for the year ended March 31, 2021 - continued

Note 27 : Earnings per share (EPS)

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

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

i. Profit attributable to Equity holders of company

	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Profit attributable to equity holders of the company	(66,32,067)	(35,53,866)
Profit attributable to equity holders of the company for basic earnings	**(66,32,067)**	**(35,53,866)**

ii. Weighted average number of ordinary shares

	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Issued ordinary shares at April 1	58,55,734	58,55,734
Effect of shares issued as Bonus shares	-	-
Weighted average number of shares at March 31 for basic EPS	**58,55,734**	**58,55,734**
Effect of dilution:		
	58,55,734	**58,55,734**

Basic and Diluted earnings per share

	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Basic earnings per share	(1.13)	(0.61)

Notes to the financial statements for the year ended March 31, 2021 - continued

28 There is no contingent liability as on March 31, 2021 (previous year NIL).

29 Commitments (to the extent not provided for)
Estimated amount of contracts remaining to be executed on capital account and not provided for - ₹ Nil (*previous year ₹ Nil).*

30 As required under Ind As 24 on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India, the list of related parties and their transactions is attached.

31 The Company was set up with the objective of manufacturing water purifiers. This is the only activity performed and is thus also the main source of risks and returns. Accordingly, the Company has a single reportable segment. Further, as the Company does not operate in more than one geographical segment hence the relevant disclosures as per Ind AS 108 are not applicable to the company. The Company has one customer to whom sales are made in excess of 10 % of total sales.

32 **Operating leases**

Leases as lessee

The company has taken certain building premises under cancellable operating leases. In the rent agreements there are no terms for purchase option or any restriction such as those concerning dividend and additional debts. Lease agreements of the company do not contain any variable lease payment or any residual value guarantees. The company has not

Information in respect of leases for which right-of-use assets and corresponding lease liabilities have been recognised are as follows:

Particulars	31.03.2021	31.03.2020
	₹	₹
Additions to right-of-use assets during the year (commercial premises)	0	1,15,64,540
Deletion to right-of-use assets during the year (commercial premises)	1,80,893	0
Amortisation of right-of-use assets during the year	27,72,334	28,38,780
Interest expense (unwinding of discount) on lease liabilities	7,98,376	10,25,666
Lease rental expenses relating to short term lease/ low value assets	33,79,164	31,19,220
Total cash outflows in respect of leases (including short term leases)	33,79,164	31,19,220
Carrying amount right-of-use assets at year end (commercial premises)	57,72,533	87,25,760

33 Net foreign exchange difference gain/ loss, included in the statement of profit and loss is a net loss of ₹ 6,71,805/- (*Previous Year profit of ₹ 1,30,369/-).*

34 The company has not recognised deferred tax assets as there is no virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

35 The Company has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of these financial statements including the recoverability of carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company has, at the date of approval of these financial statements, used internal and external sources of information and expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

36 The Board of Directors of Aquaignis Technologies Private Limited at their Board Meeting held on September 08, 2020, have inter alia, approved the Composite Scheme of Arrangement (“the scheme”) under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder.
The Scheme, inter alia, provides for amalgamation and vesting of Aquaignis Technologies Private Limited (“ATPL”), presently wholly owned subsidiary of Eureka Forbes Limited (EFL), with and into the EFL and amalgamation and vesting of the EFL with and into Forbes and Company Limited (“FCL). Further, upon the above part of the scheme becoming effective, Demerger and vesting of Demerged Undertaking (Health, Hygiene, Safety Products and Services Undertaking, as defined in the scheme) of the FCL into Forbes Enviro Solutions Limited (“FESL”) (presently wholly owned subsidiary of the Company), on a going concern basis. Upon the entire scheme becoming effective, the name of FESL shall be changed to Eureka Forbes Limited.
The Forbes and Company Ltd has filed an application seeking sanction of the scheme, with the regulatory authorities, with the appointed date of April 01, 2020. The above scheme shall be effective post receipt of all the required approvals.

Notes to the financial statements for the year ended March 31, 2021 - continued

37. Employee benefit obligation

	As at March 31, 2021		As at March 31, 2020	
	Non-current	Current	Non-current	Current
	₹	₹	₹	₹
Compensated absences	57,202	2,341	56,645	2,213
Gratuity	93,548	1,964	72,778	974
	1,50,750	**4,305**	**1,29,423**	**3,187**

(i) *Defined benefit plan - Gratuity*

The Company provides for gratuity for employees 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 an unfunded.

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

	As at March 31, 2021	As at March 31, 2020
	₹	₹
Present value of obligation as at the beginning of the year	**73,752**	**56,029**
Current service cost	15,788	11,911
Interest expense	5,008	4,292
Transfer amount	-	-
Total amount recognised in profit or loss	**20,796**	**16,203**
Remeasurements		
(Gain)/loss from change in financial assumptions	964	1,520
Experience (gains)/losses		
Total amount recognised in other comprehensive	**964**	**1,520**
Benefit payments	-	-
Present value of obligation as at the end of the year	**95,512**	**73,752**

Significant estimates: actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

	As at March 31, 2021	As at March 31, 2020
Discount rate	6.80%	6.79%
Salary growth rate	5.50%	5.50%
Retirement age	58 years	58 years
Withdrawal rates	2.00%	2.00%
Weighted average duration of defined benefit obliga	5 years	5 years

Assumptions regarding future mortality rates are based on Indian Assured Lives Mortality (2006-08) Ultimate as published by Insurance Regulatory and Development Authority (IRDA).

The actuarial valuation is carried out yearly by an independent actuary. The discount rate used for determining the present value of obligation under the defined benefit plan is determined by reference to market yields at the end of the reporting period on Indian Government Bonds. The currency and the term of the government bonds is consistent with the currency and term of the defined benefit obligation.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Year ended 31 March 2020
Discount rate (0.50% increase)	(4,376)
Discount rate (0.50% decrease)	4,758
Future salary growth (0.50% increase)	4,796
Future salary growth (0.50% decrease)	(4,447)

The above sensitivity analyses are based on a 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 methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period

(ii) *Defined contribution plan*

The Company also has certain defined contribution plan. Contributions are made to provident fund and employee state insurance scheme for employees at the spcified rate as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is Rs 77279/- (31 March 2020: Rs 86139/-).

38. Financial Instrument - Fair value and risk management

A. Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financials liabilities

<u>As at March 31, 2021</u>

	Carrying amount			
	FVOCI - equity instruments	Other financial assets - amortised cost	Other financial liabilities - amortised cost	Total carrying amount
	₹	₹	₹	₹
Financial assets not measured at fair value				
Trade receivables	-	1,31,92,328	-	1,31,92,328
Cash and cash equivalents	-	67,258	-	67,258
Other financial assets	-	2,00,977	-	2,00,977
	-	**1,34,60,563**	**-**	**1,34,60,563**
Financial liabilities not measured at fair value				
Borrowings	-	-	1,68,63,266	1,68,63,266
Trade payables	-	-	81,72,741	81,72,741
Other financial liabilities	-	-	7,02,885	7,02,885
	-	**-**	**2,57,38,892**	**2,57,38,892**

The Company has not disclosed the fair values for financial instruments such as trade receivables, cash and cash equivalents, other bank balances, loans, borrowings, trade payable, other financial assets and financial liabilities, because their carrying amounts are a reasonable approximation of fair value.

<u>As at March 31, 2020</u>

	Carrying amount			
	FVOCI - equity instruments	Other financial assets - amortised cost	Other financial liabilities - amortised cost	Total carrying amount
	₹	₹	₹	₹
Financial assets not measured at fair value				
Trade receivables	-	1,59,81,518	-	1,59,81,518
Cash and cash equivalents	-	1,45,075	-	1,45,075
Other financial assets	-	1,85,524	-	1,85,524
	-	**1,63,12,117**	**-**	**1,63,12,117**
Financial liabilities not measured at fair value				
Borrowings	-	-	1,36,50,090	1,36,50,090
Trade payables	-	-	54,82,101	54,82,101
Other financial liabilities	-	-	6,67,953	6,67,953
	-	**-**	**1,98,00,144**	**1,98,00,144**

The Company has not disclosed the fair values for financial instruments such as trade receivables, cash and cash equivalents, other bank balances, loans, borrowings, trade payable, other financial assets and financial liabilities, because their carrying amounts are a reasonable approximation of fair value.

B. Measurment of fair values

Valuation techniques and significant unobservable inputs

Financial instruments measured at fair value

The company does not have any Investment.

Notes to the financial statements for the year ended March 31, 2021 - continued

C. Financial risk management

The Company has exposure to the following risks arising from financial instruments :
- Credit risk
- Liquidity risk
- Market risk
- Interest risk

Risk management framework

The Company's management has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company conduct yearly risk assessment activities to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company has a system in place to ensure risk identification and ongoing periodic risk assessment is carried out. The Board of directors periodically monitors the risk assessment.

i) Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in financial loss.

The carrying amounts of financial assets represent the maximum credit risk exposure. The maximum exposure to credit risk at the reporting date was:

Particulars	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Trade receivables	1,31,92,328	1,59,81,518
Cash and cash equivalents	67,258	1,45,075
Loans	-	-
Other financial assets	2,00,977	1,85,524
Other current assets	1,05,28,063	37,38,176

The maximum exposure to credit risk for trade receivables at the reporting date by geographic region of the Company was:

Particulars	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Within India	1,17,56,658	98,77,144
Outside India	14,35,670	61,04,374

The maximum exposure to credit risk for trade receivables, cash and cash equivalents and other bank balances at the reporting date by type of counterparty was:

Particulars	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Product Marketing company	1,31,92,328	1,59,81,518
Bank balances and deposits with bank	67,258	1,45,075
Other bank balances	1,26,520	1,26,520

Trade receivables

Customer credit risk is managed as per Company's established policy, procedures and control relating to customer credit risk management. Credit risk has always been managed by the Company through credit approvals, estabilishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business.

On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairement loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account historical experience with customers.

Trade receivables are typically unsecured as the Company does not hold collateral as security. Since the Company derives its significant revenue from a related party, the Company is not exposed to significant credit risk.

The age of trade and other receivables at the reporting date was:

Particulars	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Not due		1,46,71,459
0-30 days	1,31,92,328	13,10,059
	1,31,92,328	**1,59,81,518**

Bank balances and deposits with banks

Credit risk from balances with banks is managed by the company's finance department as per Company's policy. Investment of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's Board of directors. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

As at March 31, 2021

	Contractual cash flows						
	Carrying amount	Total	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
	₹	₹	₹	₹	₹	₹	₹
Non-derivative financial liabilities							
Borrowings	1,68,63,266	1,68,63,266	1,68,63,266	-	-	-	-
Trade payables	81,72,741	81,72,741	81,72,741	-	-	-	-
Other financial liabilities	7,02,885	7,02,885	7,02,885	-	-	-	-
	2,57,38,892	**2,57,38,892**	**2,57,38,892**	**-**	**-**	**-**	**-**

As at March 31, 2020

	Contractual cash flows						
	Carrying amount	Total	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
	₹	₹	₹	₹	₹	₹	₹
Non-derivative financial liabilities							
Borrowings	1,36,50,090	1,36,50,090	1,36,50,090	-	-	-	-
Trade payables	54,82,101	54,82,101	54,82,101	-	-	-	-
Other financial liabilities	6,67,953	6,67,953	6,67,953	-	-	-	-
	1,98,00,144	**1,98,00,144**	**1,98,00,144**	**-**	**-**	**-**	**-**

iii) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Market risk is attributable to all market risk sensitive financial instruments including foreign currency payables, deposits with banks and borrowings. The Company is exposed to market risk primarily related to foreign exchange rate risk and interest rate risk.

Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which purchases are denominated and the functional currency of Company. The functional currency of the Company is Indian Rupees. The Company is primarily exposed to foreign currency fluctuation between the USD and Indian Rupees

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk (based on notional amounts) as reported to the management is as follows:

	As at March 31, 2021	As at March 31, 2020
	₹	₹
Financial assets		
Trade receivables	14,35,670	14,50,396
Advances	32,60,522	13,07,906
	46,96,192	27,58,302
Financial liabilities		
Trade payables	9,46,129	8,81,187
	9,46,129	8,81,187

Sensitivity analysis

A 10% appreciation of the USD as indicated below, against Indian Rupees would have decreased gain by the amounts shown below:

Particulars	Profit or loss ₹
March 31, 2021	
USD (10% strengthening)	94,613
March 31, 2020	
USD (10% strengthening)	88,119

A 10% depreciation of the USD against Indian Rupees would have had the equal but opposite effect on the above currency to the amounts shown above, on basis that all other variables remain constant.

Notes to the financial statements for the year ended March 31, 2021 - continued

iv) Interest risk

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments was as follows

	As at March 31, 2021	As at March 31, 2020
	₹	₹
Fixed rate instruments		
Financial assets		
Deposit with banks	1,26,520	1,26,520
	1,26,520	1,26,520
Variable-rate instruments		
Financial liabilities		
Borrowings	1,68,63,266	1,36,50,090
	1,68,63,266	1,36,50,090

Cash flow sensitivity analysis for variable-rate instruments

An increase of 100 basis points in interest rates at the reporting date would have decreased gain as at year end by the amounts shown below. This analysis assumes that all other variables remain constant.

Particulars	Profit or loss ₹
March 31, 2021	
Variable-rate instruments	(1,68,633)
Cash flow senstivity	(1,68,633)
March 31, 2020	
Variable-rate instruments	(1,36,501)
Cash flow senstivity	(1,36,501)

A decrease of 100 basis points in the interest rates at the reporting date would have had equal but opposite effect on the amounts shown above, on the basis that all other variable remain constant.

38. The figures of previous year have been regrouped wherever nesessary.

For and on behalf of the Board of Directors

For Batliboi & Purohit
Chartered Accountants
Firm regn No.101048W

Mr. Marzin Roomi Shroff

Ms. Kavita Gandhi

Directors

Kaushal Mehta
Partner
Membership No. 111749

Mr. Chintan Kamdar *Company Secretary*

Place: Mumbai
Date: 21st May 2021

Details required under Ind AS 24 on the "Related Party Disclosures" - referred in Note no. 30 forming integral part of financial statement:

30. Related Party Disclosures - Current year ended 31st March 2021

(i) Names of related parties and nature of relationship.

(A) Holding Company

Eureka Forbes Limited
Forbes & Company Ltd - Holding Company of Eureka Forbes Ltd
Shapoorji Pallonji and Company pvt Ltd - Ultimate Holding Company

(B) Fellow subsidiaries (where transactions have taken place during the year)

Forbes Lux FZCO
Forbes Facility Services Private Limited
Forbes Aquatech Limited
Infinite Water Solutions Private Limited

(ii) Transactions with Related Parties for the year ended 31st March, 2021

		A	B	B	B	B	
		Eureka Forbes Limited	**Forbes Lux FZCO**	**Forbes Facility Services Private Limited**	**Forbes Aquatech Limited**	**Infinite Water Solutions Limited**	**Total**
		₹	₹	₹	₹	₹	
	Nature of Transaction						
	Purchases						
1	Goods and Materials	40,70,493	-	-	-	8,59,600	**49,30,093**
	Sales						
2	Goods and Materials (excluding taxes)	5,45,16,237	1,02,69,875	-	-	-	**6,47,86,112**
	Expenses						
3	Rent	33,79,164	-	-	-	-	**33,79,164**
4	Miscellaneous expenses	4,17,808	-	3,00,764	-	-	**7,18,572**
							-
	Income						
5	Job Work Income	30,06,111	-	-	-	-	**30,06,111**
6	Misc. Income	-	11,32,349	-	-	-	**11,32,349**
	Other Receipts						**-**
7	Other Reimbursements	80	-	-	-	-	**80**
	Balance Outstanding						
8	Trade Payables	-	-	32,747	-	5,21,088	**5,53,835**
9	Trade Receivables	1,17,56,658	14,35,670	-	-	-	**1,31,92,328**
10	Short Term Advances given	-	-	-	-	-	**-**

Details required under Ind AS 24 on the "Related Party Disclosures" - referred in Note no. 30 forming integral part of financial statement:

30. Related Party Disclosures - Previous year ended 31st March 2020

(i) Names of related parties and nature of relationship.

(A) Holding Company
Eureka Forbes Limited
Forbes & Company Ltd - Holding Company of Eureka Forbes Ltd
Shapoorji Pallonji and Company pvt Ltd - Ultimate Holding Company

(B) Fellow subsidiaries (where transactions have taken place during the year)
Forbes Lux FZCO
Forbes Facility Services Private Limited

(C) **Enterprises that are under common control (where transactions have taken place during the year)**
Infinite Water Solutions Private Limited
Forbes Aquatech Limited

(ii) Transactions with Related Parties for the year ended 31st March, 2020

		A	B	B	C	C	
		Eureka Forbes Limited	**Forbes Lux FZCO**	**Forbes Facility Services Private Limited**	**Forbes Aquatech Limited**	**Infinite Water Solutions Limited**	**Total**
		₹	₹	₹	₹	₹	
	Nature of Transaction						
	Purchases						
1	Goods and Materials	46,67,890	-	-	-	8,03,700	**54,71,590**
	Sales						
2	Goods and Materials (excluding taxes)	6,20,90,595	75,40,991	-	-	-	**6,96,31,586**
	Expenses						
3	Rent	31,19,220	-	-	-	-	**31,19,220**
4	Miscellaneous expenses	4,48,482	-	2,96,940	17,894	-	**7,63,316**
							-
	Income						
5	Job Work Income	34,59,810	-	-	-	-	**34,59,810**
6	Misc. Income	-	8,67,404	-	-	-	**8,67,404**
	Other Receipts						**-**
7	Other Reimbursements	-	-	-	-	-	**-**
	Balance Outstanding						
8	Trade Payables	-	-	28,704	-	1,74,640	**2,03,344**
9	Trade Receivables	1,45,31,122	14,50,396	-	-	-	**1,59,81,518**
10	Short Term Advances given	-	-	-	-	-	**-**

CAMPBELL PROPERTIES & HOSPITALITY SERVICES LIMITED
(a wholly owned subsidiary)

Financial Statements
For the Year ended March 31, 2021

VINODCHANDRA R. SHAH & CO.
Chartered Accountants

PARTNERS
UDAY V. SHAH F.C.A.
NAYANTIKA D. SHAH F.C.A.

INDEPENDENT AUDITOR'S REPORT

To the Members of **Campbell Properties & Hospitality Services Limited**

Report on the audit of Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of **Campbell Properties & Hospitality Services Limited** ('the Company'), which comprise the Balance Sheet as at 31st March, 2021, the Statement of Profit and Loss (including Other Comprehensive Income) and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information. (herein after referred to as "Ind AS Financial Statements")

In our opinion and to the best of our information and according to the explanation given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31st, 2020 and its loss, changes in equity and its cash flows for the year ended as on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the financial statements and auditor's report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained 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.

VINODCHANDRA R. SHAH & CO. MUMBAI C.A.

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Cell : 98690 10243 • E-mail : shahuday@uvshah.com • Website : www.uvshah.com

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, (changes in equity)[v] and cash flows of the Company in accordance with[vi] the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. That Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal controls systems in place and the operative effectiveness of such controls

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of section 143 (11) of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143 (3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) the Balance sheet, the Statement of Profit and Loss and the Cash flow statement dealt with by this Report are in agreement with the books of account;

CHANDRA R. SHAH & CO. MUMBAI CA

(d) in our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

(e) on the basis of the written representations received from the directors as on 31st March,2021 taken on record by the Board of Directors, none of the directors aredisqualified as on 31st March,2021 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B", 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:
In our opinion and to the best of our information and according to the explanations given to us, there is no remuneration paid by the Company to its directors during the year under the provisions of section 197 of the Act.

(h) in our opinion and to the best of our information and according to the explanations givento us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:-

(i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements

(ii)The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise

(iii) There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.

For Vinodchandra R Shah & Co.
Chartered Accountants
FRN: 115394W

Uday V. Shah
Partner
M No: 035626
Date: 21st May, 2021
Place: Mumbai
UDIN:- 21035626AAAAME7198

VINODCHANDRA R. SHAH & CO. MUMBAI CA

"ANNEXURE A" TO INDEPENDENT AUDITORS' REPORT OF CAMPBELL PROPERTIES & HOSPITALITY SERVICES LIMITED FOR THE YEAR ENDED 31ST MARCH 2021

The Annexure referred to in paragraph 1 under the heading "Report on other Legal and Regulatory Requirements" of our report of even date:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) Company does not own immovable properties and hence paragraph 3(i)(c) of the Order is not applicable.

(ii) As the company is engaged in the business of letting of property on lease and rendering hospitality services, there is no inventory in hand at any point of time, hence paragraph 3(ii) of the Order is not applicable to the company.

(iii) The Company has granted loans to one Body Corporate covered in the register maintained under section 189 of the Companies Act, 2013 ("The Act").

a) in our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the body corporate listed in the register maintained under Section 189 of the Act, were not, prima facie, prejudicial to the interest of the Company

b) in the case of the loans granted to the body corporate listed in the register maintained under section 189 of the Act, no stipulation is made with regard to payment of interest.

c) in the absence of stipulation with regard to payment of interest, we are unable to comment on the overdue interest amounts in respect of the loan granted to a body corporate listed in the register maintained under section 189 of the Act.

(iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.

(v) The Company has not accepted any deposits and the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act and the rules framed thereunder are not applicable to the company.

(vi) We have been informed that the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the Goods provided and Services rendered by the Company, which has been relied upon.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Income-tax, Goods and Service Tax, Profession Tax and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Income-tax, Goods and Services Tax Profession Tax and other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.

(viii) The Company has not taken any loans or borrowings from Government and not issued any debenture during the year.

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) In absence of any managerial personnel, no managerial remuneration has been paid and therefore the clause 3 (xi) of the Order are not applicable to the Company

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and the details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

VINODCHANDRA R. SHAH & CO. MUMBAI CA

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Vinodchandra R Shah & Co.
Chartered Accountants
FRN: 115394W

Uday V. Shah
Partner
M No: 035626
Date: 21st May, 2021
Place: Mumbai
UDIN:- 21035626AAAAME7198

"ANNEXURE B" TO INDEPENDENT AUDITOR'S REPORT

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

We have audited the internal financial controls over financial reporting of Campbell Properties & Hospitality Services Limited ("the Company") as of **March 31, 2021** in conjunction with our audit of the Ind-AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in "the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India". 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 conducted in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at **March 31, 2021**, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Vinodchandra R Shah & Co.
Chartered Accountants
Firm Registration No.: 115394W

Uday V. Shah
Partner
Membership Number: 035626
Place: Mumbai,
Date: 21st May, 2021
UDIN:- 21035626AAAAME7198

VINODCHANDRA R. SHAH & CO. MUMBAI * CA *

CAMPBELL PROPERTIES & HOSPITALITY SERVICES LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2021

Particulars	Note No.	As at 31st Mar., 2021 ₹	*As at 31st Mar., 2020 ₹*
ASSETS			
1 **Non-current assets**			
a Property, Plant and Equipment	**3**	**16,141**	*27,294*
b **Intangible assets:**			
i) R-T-U-Assets	**24**	55,224	*1,06,200*
		55,224	*1,06,200*
c **Financial Assets:**			
i) Other financial assets	**6A**	1,75,20,000	1,75,20,000
		1,75,20,000	*1,75,20,000*
d **Tax assets**			
i) Deferred tax assets (net)	**11**	**16,541**	*16,596*
ii) Tax assets (net)	**14**	**89,998**	*57,336*
		1,06,539	*73,932*
Total Non-current assets		**1,76,97,904**	*1,77,27,426*
2 **Current assets**			
a **Financial Assets:**			
i) Trade receivables	**4A.**	3,52,348	*2,94,192*
ii) Cash and cash equivalents	**7A**	5,15,525	*3,87,842*
iii) Loans	**5A.**	-	*2,50,000*
iv) Other financial assets	**6B**	-	*6,153*
		8,67,873	*9,38,187*
b Other current assets	**8A.**	17,964	*918*
Total Current assets		**8,85,837**	*9,39,105*
Total Assets		**1,85,83,741**	*1,86,66,531*
EQUITY AND LIABILITIES			
Equity			
a Equity share capital	**9**	48,75,000	*48,75,000*
b Other equity	**10**	1,33,96,740	*1,33,93,685*
Equity attributable to owners of the Company		**1,82,71,740**	*1,82,68,685*
Total Equity		**1,82,71,740**	*1,82,68,685*
Liabilities			
1 **Non-current liabilities**			
a **Financial liabilities:**			
i) Lease liability	**24**	1,353	*57,457*
Total Non-current liabilities		**1,353**	*57,457*
1 **Current liabilities**			
a **Financial liabilities:**			
i) Trade and other payables	**13A**	2,13,954	*2,47,966*
ii) Lease liability	**24**	56,105	*52,234*
		2,70,059	*3,00,200*
b Current tax liabilities (net)	**14**	38,085	*37,510*
c Other current liabilities	**12A**	2,504	*2,679*
Total Current Liabilities		**3,10,648**	*3,40,389*
Total Liabilities		**3,12,001**	*3,97,846*
Total Equity and Liabilities		**1,85,83,741**	*1,86,66,531*

See accompanying notes forming part of the financial statements

In terms of our report attached
For Vinodchandra R Shah & Co.
Chartered Accountants
FRN- 115394W

Uday V. Shah
Membership No.: 035626
Mumbai, 21st May, 2021

SHRIKRISHNA BHAVE ____________________ *Chairperson*

NIRMAL JAGAWAT ____________________

RAVINDER PREM ____________________ *Directors*

PANKAJ KHATTAR ____________________

Mumbai, 21st May, 2021

CAMPBELL PROPERTIES & HOSPITALITY SERVICES LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021

	Particulars	Note No.	Year Ended 31st Mar., 2021 ₹	*Year Ended 31st Mar., 2020 ₹*
I	Revenue from operations	**15**	8,54,400	*13,05,800*
II	Other income	**16**	25,392	*9,499*
III	**Total Income (I + II)**		**8,79,792**	*13,15,299*
IV	**Expenses:**			
	Finance cost	**17**	7,767	*12,515*
	Depreciation and amortisation expense	**18**	62,129	*62,129*
	Other expenses	**19**	8,06,211	*9,96,085*
	Total expenses		**8,76,107**	*10,70,729*
V	**Profit / (loss) before exceptional items and tax (III - IV)**		**3,685**	*2,44,570*
VI	Exceptional items		-	-
VII	**Profit / (Loss) before tax (V + VI)**		**3,685**	*2,44,570*
VIII	**Tax expense / (credit):**			
	Current tax	**20**	**575**	*38,153*
	Deferred tax	**20**	**55**	*26,343*
			630	*64,496*
IX	**Profit/(Loss) for the period (VII - VIII)**		**3,055**	*1,80,074*
X	**Other Comprehensive Income**			
	Total Other Comprehensive Income		**-**	-
XI	**Total Comprehensive Income for the period (IX + X)**		**3,055**	*1,80,074*
XII	**Earning per equity share :**			
	Basic and diluted earnings per equity share		₹ **0.01**	₹ *0.37*

See accompanying notes forming part of the financial statements

In terms of our report attached
For Vinodchandra R Shah & Co.
Chartered Accountants
FRN- 115394W

Uday V. Shah
Membership No.: 035626
Mumbai, 21st May, 2021

SHRIKRISHNA BHAVE ________________________ *Chairperson*

NIRMAL JAGAWAT ________________________

RAVINDER PREM ________________________ *Directors*

PANKAJ KHATTAR ________________________

Mumbai, 21st May, 2021

CAMPBELL PROPERTIES & HOSPITALITY SERVICES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 - Continued

	Year Ended 31st Mar., 2021 ₹		*Year Ended 31st Mar., 2020 ₹*	
Cash flows from operating activities				
Profit / (Loss) before tax		**3,685**		*2,44,570*
Adjustments for -				
Finance costs recognised in profit or loss	7,767		*12,515*	
Depreciation and amortisation of non-current assets (continuing operations)	62,129		*62,129*	
Interest Income	(25,392)		*(7,739)*	
		44,504		*66,905*
Operating profit / (loss) before working capital changes		**48,189**		*3,11,475*
Movements in working capital:				
Decrease / (increase) in trade receivables and other receivables	(52,003)		*(1,26,900)*	
(Increase)/decrease in other assets	(17,046)		*658*	
Increase / (decrease) in trade payables and other payables	(34,012)		*15,376*	
Increase / (decrease) in other liabilities	(175)		*191*	
		(1,03,236)		*(1,10,675)*
Cash generated from / (used in) operations		**(55,047)**		*2,00,800*
Income taxes paid (net of refunds)		(32,662)		*(8,604)*
(a) Net cash generated from / (used in) operating activities		**(87,709)**		*1,92,196*
Cash flows from investing activities:				
Inter-corporate deposits placed with related parties			*(2,50,000)*	
Inter-corporate deposits refunded by related parties	2,50,000			
Interest received	25,392		*1,586*	
(b) Net cash generated from / (used in) investing activities		**2,75,392**		*(2,48,414)*
Cash flows from financing activities:				
Payment of Lease Liabilities	(60,000)		*(60,000)*	
(c) Net cash generated from / (used in) financing activities		**(60,000)**		*(60,000)*
(d) Net increase / (decrease) in cash and cash equivalents (a + b + c)		**1,27,683**		*(1,16,218)*
(e) Cash and cash equivalents as at the commencement of the year		3,87,842		*5,04,060*
(f) Cash and cash equivalents as at the end of the year		**5,15,525**		*3,87,842*
		-		-

See accompanying notes forming part of the financial statements

In terms of our report attached
For Vinodchandra R Shah & Co.
Chartered Accountants
FRN- 115394W

Uday V. Shah
Partner
Membership No.: 035626
Mumbai, 21st May, 2021

SHRIKRISHNA BHAVE ____________ *Chairperson*

NIRMAL JAGAWAT ____________

RAVINDER PREM ____________ *Directors*

PANKAJ KHATTAR ____________

Mumbai, 21st May, 2021

CAMPBELL PROPERTIES & HOSPITALITY SERVICES LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 - Continued

Statement of changes in equity for the year ended 31st March, 2021

a. Equity share capital	**No.of Shares**	₹ **Amount**
Balance at March 31, 2019	**4,87,500**	**48,75,000**
Changes in equity share capital during the year	-	-
Balance at March 31, 2020	**4,87,500**	**48,75,000**
Changes in equity share capital during the year	-	-
Balance at March 31, 2021	**4,87,500**	**48,75,000**

B. Other Equity

	Reserves and surplus		
	Securities premium reserve	**Retained earnings**	**Total**
	₹	₹	₹
Balance at March 31, 2019	**1,31,25,000**	**88,611**	**1,32,13,611**
Profit for the year		**1,80,074**	**1,80,074**
Other comprehensive income for the year, net of income tax			
Balance at March 31, 2020	**1,31,25,000**	2,68,685	**1,33,93,685**
Profit for the year	-	3,055	**3,055**
Other comprehensive income for the year, net of income tax			
Total comprehensive income for the year 31st March 2021	**1,31,25,000**	**2,71,740**	**1,33,96,740**

See accompanying notes forming part of the financial statements

In terms of our report attached
For Vinodchandra R Shah & Co.
Chartered Accountants
FRN- 115394W

Uday V. Shah
Partner
Membership No.: 035626
Mumbai, 21st May, 2021

SHRIKRISHNA BHAVE ____________________ *Chairperson*

NIRMAL JAGAWAT ____________________

RAVINDER PREM ____________________ *Directors*

PANKAJ KHATTAR ____________________

Mumbai, 21st May, 2021

1 GENERAL INFORMATION

The company was incorporated on December 13,2014 having registered office at Forbes' Building, Charanjit Rai Marg, Fort, Mumbai, India. Company is 100% subsidiary of Forbes & Company Limited, Mumbai, India. Company in the business of letting of property on lease and rendering hospitality services.

2 SIGNIFICANT ACCOUNTING POLICIES

i) Statement of Compliance

The separate financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of Companies Act, 2013 [Companies (Indian Accounting Standards) Rules, 2015].

Upto the year ended March 31, 2016, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. The date of transition to Ind AS is April 1, 2015.

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

ii) Basis of Preparation and Presentation

The separate financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period

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 the purpose of classification of its assets and liabilities as current and non current .

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

iii) Property, Plant and Equipment

Property, Plant and Equipment are to be stated at cost of acquisition, less accumulated depreciation and accumulated impairment losses, if any. The cost will 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 to be deducted in arriving at the purchase price. Freehold land not to be depreciated.

Subsequent expenditures related to an item of property, plant and equipment are to be added to its carrying value only when it is probable that the future economic benefits from the asset will flow to the Company & cost can be reliably measured.

Losses arising from the retirement of, and gains or losses arising from disposal of property, plant and equipment are to be recognised in the statement of profit and loss.

Depreciation on property, plant and equipment to be provided on straight line method as per the useful life prescribed in Schedule II to the Companies Act 2013.

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

iv) Capital work-in-progress

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

v) Investment property

Investment properties are properties to be held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are to be measured in accordance with Ind AS 16's requirements for cost model.

An investment property is to be 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 to be included in profit or loss in the period in which the property is derecognised.

vi) Intangible Assets

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

Amortisation is to be recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are to be 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 to be determined as the difference between the disposal proceeds and the carrying amount of the asset and are to be recognised as income or expense in the Statement of Profit and Loss.

vii) Intangible assets under development

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

viii) Impairment of Assets

The Company has to assess at end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Company has to estimate 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 to be reduced to its recoverable amount. The reduction is to be 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 to be 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.

ix) Financial instruments

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

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

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 points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

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

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

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset. 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 at FVTPL 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 transactions that are within the scope of Ind AS 18, 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. 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

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

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 profit or 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.

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 Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between 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 and payable is recognised in profit or loss.

Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

x) 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.

xi) Provisions and Contingent Liabilities

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

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

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.

Contingent liability is disclosed for (i) Possible obligations which will be confirmed only by 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.

xii) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

Sale of Services:

a) Income from services is recognised as and when the services are performed and accrued on time basis.
b) 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.

xiii) Foreign Currency Transactions

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

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

xiv) Lease accounting

Lease accounting (applicable for the year ended 31 March 2021):

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
- 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 reflects 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. Low value asset comprise equipments.

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

Lease accounting (applicable for the year ended 31 March 2019):

Operating Leases
Leases, where the lessor retains, substantially all the risks and rewards incidental to ownership of the leased assets, are classified as operating lease. Operating lease expense / income are recognized in the statement of profit and loss on a straight-line basis over the lease term.

xv) Taxes on Income
Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. 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 separate 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.

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.

Current and deferred tax are recognised in profit or 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.

xvi) Cash and Cash Equivalents
In the cash flow statement, cash and cash equivalents includes cash on hand, cheques, drafts on hand, balances in current accounts with banks, other bank deposits with original maturities of three months or less.

xvii) Borrowing Costs
Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised. A qualifying asset is one 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. Other borrowing costs are recognised as an expense in the period in which they are incurred.

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 profit or loss in the period in which they are incurred.

xviii) 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.

CAMPBELL PROPERTIES & HOSPITALITY SERVICES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 - Continued

3. Property, plant and equipment

₹

	Office equipments	Total
Cost or Deemed cost		
Balance at April 1, 2020	55,766	55,766
Additions	-	-
Disposal	-	-
Balance at March 31, 2021	**55,766**	**55,766**
Accumulated depreciation and impairment		
Balance at April 1, 2020	28,472	28,472
Depreciation expense	11,153	11,153
Balance at March 31, 2021	**39,625**	**39,625**
		-
Carrying Amount		
Balance at April 1, 2020	27,294	27,294
Addition	-	-
Disposal	-	-
Depreciation expense	11,153	11,153
Balance at March 31, 2021	**16,141**	**16,141**

-

₹

	Office equipments	*Total*
Cost or Deemed cost		
Balance at April 1, 2019	*55,766*	*55,766*
Additions	-	-
Disposal	-	-
Balance at March 31, 2020	*55,766*	*55,766*
Accumulated depreciation and impairment		
Balance at April 1, 2019	*17,318*	*17,318*
Depreciation expense	*11,154*	*11,154*
Balance at March 31, 2020	*28,472*	*28,472*
		-
Carrying Amount		
Balance at April 1, 2019	*38,448*	*38,448*
Addition	-	-
Disposal	-	-
Depreciation expense	*11,154*	*11,154*
Balance at March 31, 2020	*27,294*	*27,294*

4. Trade receivables

4A. Trade receivables- Current

₹

Particulars	As at 31st Mar., 2021	*As at 31st Mar., 2020*
Trade receivables		
a) Unsecured, considered good	3,52,348	*2,94,192*
Total	**3,52,348**	*2,94,192*

5. Loans

5A. Loans - Current

₹

Particulars	As at 31st Mar., 2021	*As at 31st Mar., 2020*
a) Loans to related parties (Refer note 22)		
- Unsecured, considered good	-	*2,50,000*
Total	**-**	*2,50,000*

6. Other financial assets

6A. Other financial assets - Non current

₹

Particulars	As at 31st Mar., 2021	*As at 31st Mar., 2020*
a) Security deposits		
- Unsecured, considered good	1,75,20,000	*1,75,20,000*
Total	**1,75,20,000**	*1,75,20,000*

6B. Other financial assets - Current

₹

Particulars	As at 31st Mar., 2021	*As at 31st Mar., 2020*
a) Accruals:		
i) Interest accrued on loans to related parties (Refer note 22)	-	*6,153*
Total	**-**	*6,153*

7. 7A. Cash and cash equivalents

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

₹

Particulars	As at 31st Mar., 2021	*As at 31st Mar., 2020*
Balances with Banks		
a) In current accounts	5,15,525	*3,87,842*
	5,15,525	*3,87,842*

8. Other assets

8A. Other assets - Current

₹

Particulars	As at 31st Mar., 2021	*As at 31st Mar., 2020*
a) Advances for supply of goods and services		
- Unsecured, considered good	492	*492*
b) Balances with statutory / government authorities	17,472	*426*
Total	**17,964**	*918*

9. Equity Share Capital

₹

Particulars	As at 31st Mar., 2021	*As at 31st Mar., 2020*
Authorised Share capital :		
500,000 fully paid equity shares of ₹ 10 each	**50,00,000**	*50,00,000*
Issued and subscribed capital comprises:		
4,87,500 fully paid equity shares of ₹ 10 each	**48,75,000**	*48,75,000*
	48,75,000	*48,75,000*

9. 1 Fully paid equity shares

₹

Particulars	Number of shares	Share capital (Amount)
Balance at April 1, 2019	**4,87,500**	**48,75,000**
Movements	-	-
Balance at March 31, 2020	**4,87,500**	**48,75,000**
Movements	-	-
Balance at March 31, 2021	**4,87,500**	**48,75,000**

Fully paid equity shares, which have a par value of Rs.10, carry one vote per share and carry a right to dividends.

9. 2 Details of shares held by the holding company, the ultimate controlling party, their subsidiaries and

₹

Particulars	Fully paid ordinary shares As at 31st Mar., 2021	*As at 31st Mar., 2020*
Forbes & Company Limited, the holding company	4,87,500	*4,87,500*
Total	**4,87,500**	*4,87,500*

9. 3 Details of shares held by each shareholder holding more than 5% shares

Particulars	As at 31st Mar., 2021		*As at 31st Mar., 2020*	
	Number of shares held	% holding in the class of shares	*Number of shares held*	% holding in the class of shares
Fully paid equity shares				
Forbes & Company Limited	**4,87,500**	**100.00**	*4,87,500*	*100.00*
Total	**4,87,500**	**100.00**	*4,87,500*	*100.00*

10. Other equity excluding non-controlling interests

₹

Particulars	As at 31st Mar., 2021	*As at 31st Mar., 2020*
a) Securities premium reserve		
Balance at beginning of the year	**1,31,25,000**	*1,31,25,000*
Movements	**-**	*-*
Balance at end of the year	**1,31,25,000**	*1,31,25,000*
b) Retained earnings (Note 6)		
Balance at beginning of year	**2,68,685**	*88,611*
Profit attributable to owners of the Company	**3,055**	*1,80,074*
Balance at end of the year	**2,71,740**	*2,68,685*
Total	**1,33,96,740**	*1,33,93,685*

Note 1: The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

11. Deferred tax balances

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

₹

Particulars	As at 31st Mar., 2021	*As at 31st Mar., 2020*
Deferred tax assets	**16,541**	*16,596*
Deferred tax liabilities	**-**	*-*
Net	**16,541**	*16,596*

Current Year (2020-2021)

₹

Particulars	Opening balance	Recognised in profit or loss	Closing balance
Deferred tax (liabilities)/assets in relation to:			
a) Property, plant and equipment	2,298	1,492	3,790
b) Deduction u/s 35D	-	-	-
Total (A) ...	**2,298**	**1,492**	**3,790**
a) Tax losses	-	-	-
b) Others (MAT Credit)	14,298	-1,547	12,751
Total (B) ...	**14,298**	**(1,547)**	**12,751**
Total (A+B) ...	**16,596**	**(55)**	**16,541**

Previous Year (2019-2020)

₹

Particulars	*Opening balance*	*Recognised in profit or loss*	*Closing balance*
Deferred tax (liabilities)/assets in relation to:			
a) Property, plant and equipment	*1,056*	1,242	*2,298*
b) Deduction u/s 35D	*8,894*	(8,894)	-
Total (A) ...	*9,950*	*(7,652)*	*2,298*
a) Tax losses	*26,552*	(26,552)	-
b) Others (MAT Credit)	*6,437*	*7,861*	*14,298*
Total (B) ...	*32,989*	*(18,691)*	*14,298*
Total (A+B) ...	*42,939*	*(26,343)*	*16,596*

12. Other non-current liabilities

12A Other current liabilities

₹

Particulars	As at 31st Mar., 2021	*As at 31st Mar., 2020*
a) Statutory remittances	**2,504**	*2,679*
Total	**2,504**	*2,679*

13. Trade payables

13A Trade payables - Current

Particulars	As at 31st Mar., 2021	*As at 31st Mar., 2020*
Trade payables	**2,13,954**	*2,47,966*
Total	**2,13,954**	*2,47,966*

The average credit period on purchases of certain goods is generally in range of 0 to 30 days. No interest is charged on the trade payables for the first 0 to 30 days from the date of the invoice.

14. Tax assets and liabilities

₹

Particulars	As at 31st Mar., 2021	*As at 31st Mar., 2020*
Tax assets		
Tax receivable	**89,998**	*57,336*
	89,998	*57,336*
Tax liabilities		
Income tax payable	**38,085**	*37,510*
	38,085	*37,510*
Current Tax Assets (current portion)	**-**	*-*
Current Tax Assets (non-current portion)	**89,998**	*57,336*

CAMPBELL PROPERTIES & HOSPITALITY SERVICES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 - Continued

15. Revenue from operations

₹

Particulars	Year Ended 31st Mar., 2021	*Year Ended 31st Mar., 2020*
a) **Operating revenues**		
i) Rent and amenities	7,64,400	*12,15,800*
ii) Others	90,000	*90,000*
Total	**8,54,400**	*13,05,800*

16. Other Income

a) Interest Income

₹

Particulars	Year Ended 31st Mar., 2021	*Year Ended 31st Mar., 2020*
i) Inter-corporate deposit	25,392	*7,739*
ii) Income Tax refund	-	*1,760*
Total	**25,392**	*9,499*

17. Finance costs

₹

Particulars	Year Ended 31st Mar., 2021	*Year Ended 31st Mar., 2020*
(a) **Interest costs :-**		
i) Interest expenses on lease liabilities (Refer Note 24)	7,767	*12,515*
Total	**7,767**	*12,515*

18. Depreciation and amortisation expense

₹

	Particulars	Year Ended 31st Mar., 2021	*Year Ended 31st Mar., 2020*
i)	Depreciation of property, plant and equipment pertaining to continuing operations	11,153	*11,153*
iii)	Depreciation Right-of-use assets (Refer Note 24)	50,976	*50,976*
	Total depreciation and amortisation pertaining to continuing operations	**62,129**	*62,129*

19. A. Other expenses

₹

	Particulars	Year Ended 31st Mar., 2021	*Year Ended 31st Mar., 2020*
a)	Power and fuel	25,970	*78,539*
b)	Rent and hire charges	-	-
c)	**Repairs to :**		
	i) Buildings	3,010	*18,182*
	ii) Others	9,924	*24,496*
		12,934	*42,678*
d)	Rates and taxes (excluding taxes on income)	7,500	*12,500*
e)	Housekeeping, Laundary and Supplies	6,96,323	*7,92,481*
f)	Printing & Stationery	1,192	*10,401*
g)	Communication	17,756	*13,054*
h)	Legal and professional charges	20,800	*21,300*
i)	Miscellaneous expenses	1,736	*5,632*
	Sub Total	**7,84,211**	*9,76,585*
a)	**To Statutory auditors**		
	i) For audit	16,000	*16,000*
	ii) For other services	2,000	*3,500*
	iii) For reimbursement of expenses	4,000	-
	Sub Total	**22,000**	*19,500*
	Total	**8,06,211**	*9,96,085*

20. Income taxes relating to continuing operations

20.1 Income tax recognised in profit or loss

₹

Particulars	Year Ended 31st Mar., 2021	*Year Ended 31st Mar., 2020*
Current tax		
In respect of the current year	575	*38,153*
In respect of prior years	-	-
	575	*38,153*
Deferred tax		
In respect of the current year	55	*26,343*
In respect of the previous year	-	-
	55	*26,343*
Total income tax expense recognised in the current year relating to continuing Operations	**630**	*64,496*

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

₹

Particulars	Year Ended 31st Mar., 2021	*Year Ended 31st Mar., 2020*
Profit before tax from continuing operations	**3,685**	*2,44,570*
Income tax expense calculated at 26% (Previous Year 26%)	958	*63,588*
Effect of Expenses not deductible	2,018	*3,254*
Effect of Expenses not deductible(dep on lease accounting)	13,254	*13,254*
Effect of concession , deductions	(15,600)	*(15,600)*
Income tax expense recognised in profit or loss (relating to continuing operations)	**630**	*64,496*

The tax rate used for the 2020-21 and 2019-2020 reconciliations above is the corporate tax rate of 26% payable by corporate entities in India on taxable profits under the Indian tax law.

21. Earnings per share

Particulars	Year ended 31st Mar., 2021	*Year ended 31st Mar., 2020*
From Continuing operations	**₹ per share**	*₹ per share*
Basic earnings per share	**0.01**	*0.37*
Diluted earnings per share	**0.01**	*0.37*

21.1 Basic Earnings per share

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

Particulars	Year ended 31st Mar., 2021	*Year ended 31st Mar., 2020*
Profit for the year attributable to owners of the Company (A)	**3,055**	*1,80,074*
Weighted average number of equity shares for the purposes of basic earnings per share (B)	**4,87,500**	*4,87,500*
Basic Earnings per share (A/B)	**0.01**	*0.37*

21.2 Diluted earnings per share

The earnings used in the calculation of diluted earnings per share are as follows.

The weighted average number of equity shares for the purpose of diluted earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings per share as follows:

Particulars	Year ended 31st Mar., 2021	*Year ended 31st Mar., 2020*
Earnings used in the calculation of basic earnings per share	**3,055**	*1,80,074*
Adjustments (describe)	**-**	*-*
Earnings used in the calculation of diluted earnings per share (A)	**3,055**	*1,80,074*
Weighted average number of equity shares used in the calculation of basic earnings per share	**4,87,500**	*4,87,500*
Adjustments [describe]		
Weighted average number of equity shares used in the calculation of diluted earnings per share (B)	**4,87,500**	*4,87,500*
Diluted earnings per share (A/B)	**0.01**	*0.37*

22. Financial instruments

22.1 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 equity of the Company (comprising issued capital, security premium reserve and retained earnings as detailed in notes 9 to 10).

22.2 Categories of financial instruments

₹

Particulars	31st Mar., 2021	*31st Mar., 2020*
Financial assets		
Measured at Amortised Cost		
a) Cash and bank balances	**5,15,525**	*3,87,842*
b)Trade receivables	**3,52,348**	*2,94,192*
c)Loan	-	*2,50,000*
d)Other financial assets	**1,75,20,000**	*1,75,26,153*
Financial liabilities		
Measured at Amortised Cost		
a) Trade payables	**2,13,954**	*2,47,966*

22.3 Financial risk management objectives

The company monitors and manages the financial risks to the operations of the company . These risks include credit risk and liquidity risk.

Credit risk management

Based on the Company's monitoring of customer credit risk, the company believes that no impairment allowance is necessary in respect of trade receivables that are not past due or past due but not more than one year.

Liquidity risk management

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 maintaining adequate funds, by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

Liquidity risk tables

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 undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the rate applicable as of March 31, 2021 and March 31, 2020 respectively has been considered. The contractual maturity is based on the earliest date on which the Company may be required to pay.

(In ₹)

Maturities of Financial Liabilities	**31st March, 2021**			
	Upto 1 year	**1 to 3 years**	**3 to 5 years**	**5 years & above**
Trade Payables	2,13,954			
	2,13,954	**-**	**-**	**-**

(In ₹)

Maturities of Financial Liabilities	*31st March, 2020*			
	Upto 1 year	*1 to 3 years*	*3 to 5 years*	*5 years & above*
Trade Payables	*2,47,966*			
	2,47,966	-	-	-

23. (a) Related party disclosures

(A) Holding Company / Ultimate Holding Company

1 Shapoorji Pallonji & Company Private Limited (*Ultimate Holding Company*)
2 Forbes & Company Limited (*Intermediary Holding Company*)

(B) Fellow Subsidiaries (where there are transactions)

1 Shapoorji Pallonji Forbes Shipping Ltd.
2 Eureka Forbes Ltd.
3 Forbes Campbell Services Limited
4 Forbes Campbell Finance Limited
5 Forbes Facility Services Pvt. Ltd.
6 Volkart Fleming Shipping & Services Limited
7 Shapoorji Pallonji Oil And Gas Pvt. Ltd.
8 Afcons Infrastructure Ltd.

(C) Joint Ventures (where there are transactions)

1 Shapoorji Pallonji Bumi Armada Offshore Pvt.Ltd.
2 SP Armada Oil Exploration Private Limited
3 Shapoorji Pallonji Armada Oil & Gas Ser.Pvt. Ltd.

23. Related party disclosures (contd.) (In ₹)

(b)transactions/balances with above mentioned related parties

		Ultimate Holding Company	Holding Company					Fellow Subsidiaries					Joint Ventures				Total
		A	A	A	B	B	B	B	B	B	B	B	C	B	C	C	A + B + C
		Shapoorji Pallonji & Company Private Limited	Forbes & Company Limited	**Total**	Eureka Forbes Ltd.	Afcons Infrastructure Ltd.	Shapoorji Pallonji Oil And Gas Pvt. Ltd.	Shapoorji Pallonji Forbes Shipping Ltd.	Volkart Fleming Shipping & Services Limited	Forbes Campbell Services Limited	Forbes Facility Services Pvt. Ltd.	**Total**	Shapoorji Pallonji Bumi Armada Offshore Pvt. Ltd.	SP Armada Oil Exploration Private Limited	Shapoorji Pallonji Armada Oil & Gas Ser.Pvt. Ltd.	**Total**	**Total**
	Nature of Transaction																
	Income:																
1	Rent and Other Service Charges	68,600	1,57,400	**2,26,000**	-		1,00,400	-	90,000		-	**1,90,400**	-	3,06,800	93,400	**4,00,200**	**8,16,600**
		4,96,300	*2,25,400*	*7,21,700*	*10,400*	*15,600*		-	*90,000*		-	*1,16,000*	*4,11,100*	*57,000*	-	**4,68,100**	*13,05,800*
2	Interest Received	-	-	**-**				25,392				**25,392**	-		-	**-**	**25,392**
		-	-	-				*7,739*				*7,739*	-		-	**-**	*7,739*
	Expenses:																
3	Housekeeping charges	-	-	**-**	-			-	-		6,81,744	**6,81,744**	-		-	**-**	**6,81,744**
		-	-	-	-			-	-		*7,66,374*	*7,66,374*	-		-	**-**	*7,66,374*
4	**Other Reimbursements:**	-	-	**-**	-			-	24,024			**24,024**	-		-	**-**	**24,024**
		-	-	-	-			-	*74,662*	*923*		*75,585*	-		-	-	*75,585*
	Finance:																
5	**Loan (ICD) given**				-			-				**-**					**-**
								2,50,000				*2,50,000*					*2,50,000*
6	**Repayment of Loan (ICD) given**							2,50,000				***2,50,000***					**2,50,000**
								-				-	-				**-**
	Outstandings																
7	Trade Payables	-	-	**-**							1,43,600	**1,43,600**	-		-	**-**	**1,43,600**
		-	-	-								-	-		-	**-**	-
8	Trade Receivables	1,05,256	-	**1,05,256**	-	18,408	1,18,472	-	-		-	**1,36,880**	-	-	1,10,212	**1,10,212**	**3,52,348**
		1,59,772	-	*1,59,772*	*12,272*	*18,408*		-	*8,700*			*39,380*	*33,480*	*61,560*	-	**33,480**	*2,32,632*
9	Loan (ICD) Receivable	-	-	**-**	-	-		-	-			**-**	-	-	-	**-**	**-**
		-	-	-	-	-		*2,50,000*	-			*2,50,000*	-		-	**-**	*2,50,000*
10	Accrued Interest on Loan given	-	-	**-**	-	-			-			**-**	-	-	-	**-**	-
			-	**-**	-	-		6,153	-			**6,153**	-	-	-	**-**	**6,153**

Figures in italics are in respect of the previous year.

24. Lessee accounting

The Company has adopted IND AS 116 " Lease " effective April,1 2019 using the modified retrospective transition approach, based on assessment done by the management, there is no material impact on the revenue recognition during the period. On adoption of Ind AS 116, the Company 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 as of 1st April, 2019 was 10%.

The Company has elected to measure the right-of-use assets at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments that existed at the date of transition.

(i) Practical Expedients applied on initial application date

In applying Ind AS 116 for the first time, the Company has used the following practical expedients permitted by the standard:

- the Company has utilized the exemptions provided for short-term leases (less than a year) and leases for low value assets.
- Initial direct costs are excluded from the measurement of right-of-use assets at the date of initial application.
- the Company has used a single discount rate to a portfolio of leases with reasonably similar characteristics.
- the Company 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 Company has relied on its previous assessment on whether leases are onerous as an alternative to performing an impairment review.

The Company 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 Company relied on its assessment made applying Ind AS 17 and Appendix C to Ind AS 17, Determining whether an arrangement contains a lease.

(ii) Adjustments recognized in the Balance Sheet on 1st April, 2019:

The change in accounting policy affected the following items in the Balance Sheet on 1st April, 2019.

- Right-of-use assets - increased by ₹ 1,57,176
- Lease liabilities - increased by ₹ 1,57,176

(iii) Reconciliation of lease commitment to lease liability

The difference between the future minimum lease rental commitments towards non-cancellable operating leases and finance leases reported as at 31st March, 2021 compared to the lease liability as accounted as at 1st April, 2019 is primarily due to inclusion of present value of the lease payments for the cancellable term of the leases, reduction due to discounting of the lease liabilities as per the requirement of Ind AS 116 and exclusion of the commitments for the leases to which the Company has chosen to apply the practical expedient as per the standard.

₹

Particulars	**As at 1st Apr., 2019**
Operating lease commitments disclosed as at 31st March, 2019	-
Discounted using the lessee's incremental borrowing rate at the date of initial application	(22,824)
(Less): Short term leases not recognized as a liability	-
(Less): Low-value leases not recognized as a liability	-
Add/(less): Adjustments as a result of a different treatment of extension and termination options	1,80,000
Lease liability recognized as at 1st April, 2019	**1,57,176**
Of which are:	
Current lease liabilities	47,485
Non-current lease liabilities	1,09,691
	1,57,176

iv) Amounts recognized in Balance Sheet

₹

The balance sheet shows the following amounts relating to leases:

Particulars	**31st Mar., 2021**	**1st Apr., 2020**
Right-of-use assets		
Building	55,224	1,06,200
Total	**55,224**	**1,06,200**

₹

Particulars	**31st Mar., 2021**	**1st Apr., 2020**
Lease liabilities		
Non-current	1,353	57,457
Current	56,105	52,234
Total	**57,458**	**1,09,691**

Additions to right-of-use asset during the current financial year were ₹ NIL

v) Amounts recognized in Statement of Profit and Loss.

₹

The Statement of Profit and Loss shows the following amounts relating to leases:

Particulars	31st Mar., 2021	1st Apr., 2020
Depreciation charge of right-of-use assets		
Building	50,976	50,976
Total	**50,976**	**50,976**
Interest expense on lease liability (included in finance cost)	7,767	12,515
Expense relating to short term leases (Included in Other Expenses)	-	-
Expense relating to low value assets that are not shown above as short term leases (Included in Other Expenses)	-	-
Total	**58,743**	**63,491**

The total cash outflow for leases in year ended 31st March, 2021 was ₹ 60,000.

(vi) Critical judgements in determining the lease term

In determining the lease term, management considers all facts and circumstances 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).

For the leases of offices premises, the following factors are normally the most relevant:

1. If there is significant penalties to terminate (or not extend), the Company is typically reasonably certain to extend (or not terminate).
2. If any leasehold improvements are expected to have a significant remaining value, the Company is typically reasonably certain to extend (or not terminate)
3. Otherwise, the Company considers the other factors including historical lease duration and the costs and business disruption required to replace the leased asset.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise) it. The assessment of reasonably certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within control of lessee.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise) it. The assessment of reasonably certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within control of lessee.

25 No amount is due to Small Scale Industries (SSI) as at 31st March, 2021, as defined under Micro, Small & Medium Enterprises Development Act, 2006.

26 The COVID-19 pandemic has generally disrupted business operations due to global lockdown and other emergency measures imposed by the various governments. However, the operations of the Company being in the service sector were not impacted in the current scenario.

The Company has evaluated the impact of this pandemic on its business operations, liquidity and the recoverability and carrying values of its assets including trade receivables and loans as at the Balance Sheet date and based on the management's review of current indicators and economic conditions there is no material impact on the profit for the year ended 31st March, 2021.

27 Figures for the previous year have been regrouped wherever necessary.

In terms of our report attached
For Vinodchandra R Shah & Co.
Chartered Accountants
FRN- 115394W

Uday V. Shah
Partner
Membership No.: 035626
Mumbai, 21st May, 2021

SHRIKRISHNA BHAVE ________________________ *Chairperson*

NIRMAL JAGAWAT __________________________

RAVINDER PREM ___________________________ *Directors*

PANKAJ KHATTAR __________________________

Mumbai, 21st May, 2021

EUREKA FORBES LIMITED

(a wholly owned subsidiary)

Financial Statements

For the Year ended March 31, 2021

EUREKA FORBES LIMITED

CIN : U27109MH1931PLC353890

DIRECTORS

Shapoor P Mistry	Chairman
Marzin R. Shroff	Managing Director & CEO
Anil Kamath	
D Sivanandhan	
Dr. (Mrs.) Indu Shahani	
Homi Katgara	
Jai Mavani	
Shankar Krishnan	
Mahesh Chelaram Tahilyani	
Pallon Shapoor Mistry	

Chief Financial Officer

R. S. Moorthy

Company Secretary & Head-Legal

Dattaram P Shinde

PRINCIPAL BANKERS

Axis Bank Ltd.
ICICI Bank Ltd
Kotak Mahindra Bank Ltd.

SOLICITORS AND ADVOCATES

Desai & Diwanji

AUDITORS

Deloitte Haskins & Sells LLP

REGISTERED/CORPORATE OFFICE

B1/B2, 701, Marathon Innova
Off Ganpatrao Kadam Marg
Lower Parel, (West), Mumbai – 400 013

Deloitte Haskins & Sells LLP

Chartered Accountants
Indiabulls Finance Centre
Tower 3, 27th -32nd Floor
Senapati Bapat Marg
Elphinstone Road (West)
Mumbai – 400 013
Maharashtra, India

Tele: + 91 22 6185 4000
Fax: +91 22 6185 4001

INDEPENDENT AUDITOR'S REPORT

To The Members of Eureka Forbes Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Eureka Forbes Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2021, and 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 a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matters

(i) We draw attention to note 30-XI in the standalone financial statements, which describes the continuing impact and resultant uncertainties of COVID-19 pandemic on the Company's financial statements and the assessment made by the Management of the recoverability of certain assets of the Company. Attention is also invited to note 30-XII which describes the basis of the assessment made by the Management of the Company that no material uncertainty exists and that the going concern assumption is appropriate in the preparation of these financial statements.

(ii) We draw attention to note 30-VI in the standalone financial statements, which describes that, the Board of Directors of the Company at their Board Meeting held on September 08, 2020, have inter alia, approved the Composite Scheme of Arrangement ("the scheme") under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder which inter alia, provides for amalgamation and vesting of the Company with and into the Parent Company on a going concern basis.

As stated in the said note 30-VI, the appointed date of the above scheme is April, 01, 2020 and the same shall be effective post receipt of required approvals.

Our opinion is not modified in respect of these matters.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

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

- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility for the Audit of the standalone Financial Statements

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

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

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

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
    a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

    d. In our opinion, the aforesaid standalone financial statements comply with the In d AS specified under Section 133 of the Act.

    e. On the basis of the written representations received from the directors as on 31 March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

    f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

    g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

    h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

        i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements [Refer Note – 30(I)(a) to the standalone financial statements];

        ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts [Refer Note – 19 to the standalone financial statements];

        iii. There were no amounts, which were required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells LLP

Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Nilesh Shah
(Partner)
(Membership No. 49660)
(UDIN: 21049660AAAACE5164)

Place: Mumbai

Date: June 18, 2021

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls over financial reporting of Eureka Forbes Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, 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, 2021, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm‘s Registration No.117366W/W-100018)

Nilesh Shah
(Partner)
(Membership No. 49660)
(UDIN: 21049660AAAACE5164)

Place: Mumbai

Date: June 18, 2021

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) In respect of the Company's property, plant and equipment:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) The Company has a program of verification of property, plant and equipment to cover all the items of property, plant and equipment in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain property, plant and equipment were physically verified by the Management during the previous year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties including assets classified as held for sale of land and buildings are held in the name of the Company as at the balance sheet date. Immovable properties of land and buildings whose title deeds have been pledged as security for loans are held in the name of the Company based on the confirmations directly received by us from lenders, except the following:

Particulars of the land and building	**Gross Block (as at the balance sheet date)**	**Net Block (as at the balance sheet date)**	**Remarks**
Freehold Land and Building located at Dehradun and Bangalore admeasuring 12150 sq.mtrs, and 19002 sq.mtrs respectively	INR 2,986.98 lakhs	INR 1,928.02 lakhs	The title deeds are in the name of Aquamall Water Solutions Limited, erstwhile Company that was merged with the Company under Section 233 of the Companies Act, 2013.

(ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 of the Companies Act, 2013 in respect of grant of loans and providing guarantees and securities, as applicable. The Company has also complied with Section 186 of the Companies Act, 2013 in respect of making investments, as applicable. We have relied on the legal opinion obtained by the Company and provided to us with respect to non- applicability of section 186 of the Companies Act 2013 in relation to loans made, guarantee given or security provided, as the Company is engaged in the business of infrastructure facilities.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under, are not applicable to the Company.

(vi) According to the information and explanations given to us, the maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, *prima facie,* the prescribed cost records have been made and maintained We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Services tax, cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Services tax, cess and other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable except the following :

Name of Statute	**Nature of Dues**	**Amount (Rs. in lakhs)**	**Period to which the Amount Relates**	**Due Date**	**Date of subsequent payment**
The Employee Provident Funds and Miscellaneous Provisions Act, 1952	Employer Contribution to Pension scheme	1.57	September 2017 to March 2018	Various	Not yet paid
The Employee Provident Funds and Miscellaneous Provisions Act, 1952	Employer Contribution to Pension scheme	5.91	April 2018 to March 2019	Various	Not yet paid

The Employee Provident Funds and Miscellaneous Provisions Act, 1952	Employer Contribution to Pension scheme	36.00	April 2018 to March 2020	Various	Rs. 5.23 lakhs paid in May 2021
The Employee Provident Funds and Miscellaneous Provisions Act, 1952	Employer Contribution to Pension scheme	14.14	April 2020 to September 2020	Various	Not yet paid

(c) Details of dues of Income-tax, Sales Tax, Excise Duty and Goods and Service Tax which have not been deposited as on March 31, 2021 on account of disputes are given below:

Name of the Statute	**Nature of Dues**	**Forum where dispute is pending**	**Period to which the amount relates**	**Amount Involved (Rs. in Lakhs)**	**Amount Unpaid (Rs. in Lakhs)**
Central Excise Act, 1944	Excise Duty	Appellate Tribunal	AY 2001-03	56.51	56.51
		Principal Commissioner of Central Excise	AY 2001 to 2006 and AY 2014 -2017	1,386.30	1,320.52
Income Tax Act, 1961	Income Tax	Tribunal	AY 2008-09, AY 2012-13, AY 2014-15, AY 2015-16	312.37	312.37
		CIT (A)	AY 2016-17 AY 2017-18 AY 2018-19	975.65	975.65
Sales Tax Act	Sales Tax	Deputy Commissioner Of Appeals Commercial Taxes	AY 2006-07, AY 2008-09, AY 2010-11	109.17	75.55
		Deputy Commissioner of Commercial Taxes	AY 2002-03, AY 2003-04, AY 2006-07 to AY 2013-14, AY 2015-16 AY 2016-17	437.07	279.74
		Joint Commissioner of Commercial Taxes	AY 2013-14,	0.89	0.71

Name of the Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates	Amount Involved (Rs. in Lakhs)	Amount Unpaid (Rs. in Lakhs)
		Assistant Commissioner of Sales Tax - Appeals	AY 2004-05, AY 2015-16, AY 2016-17	3.96	3.64
		Assistant Commissioner, DVAT, New Delhi	AY 2016-17	16.70	16.70
		Assistant Commissioner (Assessment) Special Circle-II	AY 1998-99 to AY 2004-05, AY 2007-08, AY 2012-13	2,051.19	1,498.00
		Assessing Authority	AY 1994-95, AY 1996-97, AY 1998-99, AY 2000-01, AY 2003-04, AY 2004-05, AY 2005-06, AY 2017-18	4.27	3.68
		Joint Commissioner (Appeals)Trade Tax	AY 2003-04	6.48	4.21
		Deputy Commissioner Cum Assessing Authority-1	AY 2012-13	0.51	0.51
		Assessing Authority Circle "P" Jammu	AY 2016-17	0.02	0.02
		Assistant Commissioner (ST)	AY 2015-16, AY 2016-17, AY2017-18	52.56	47.56
		The Appellate Deputy Commissioner	AY 2016-17	1.60	1.40
		Joint Commissioner of Sales Tax	AY 2007-08 TO 2011-12	673.11	651.87
		Deputy Commissioner Special Circle II	AY 2014-15	2.12	2.12
		Telangana VAT Appellate Tribunal	A.Y 2001-02	351.28	117.09

Name of the Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates	Amount Involved (Rs. in Lakhs)	Amount Unpaid (Rs. in Lakhs)
Chapter V, Finance Act, 1994	Service Tax	Custom, Central Excise and Service Tax Appellate Tribunal	AY 2014 to 2019	858.03	847.12
		The Commissioner of Central Tax	AY 2006 to AY 2013	1087.64	1087.64
Central Goods & Service Tax Act, 2017	Goods and Service Tax	High Court of Karnataka	AY 2018-19, AY 2019-20	42.68	42.68
		Additional Commissioner of State tax, Appellate authority, Kolkata	AY 2018-19	32.57	32.57
		Appeal pending to be filed due to non-constitution of GST Tribunal	AY 2019-20	7.08	7.08
		Assistant Commissioner, BI, Howrah Zone	AY 2019-20	5.94	5.34
		Assistant Commissioner of State Taxes and Excise Baddi I Shimla, Himachal Pradesh	AY 2018-19, AY 2019-20	1.58	1.58
		The Joint Commissioner of Central Tax Bangalore	AY 2018-19	348.89	348.89

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company has not taken any loans or borrowings from financial institutions and government or has not issued any debentures.

(ix) In our opinion and according to the information and explanations given to us, money raised by way of term loans have been applied by the Company during the year for the purposes for which they were raised, other than temporary deployment pending application of proceeds. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments).

(x) During the course of our examination of books and records of the Company, carried out in accordance with generally accepted auditing practices in India and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 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 etc. as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us, during the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm‘s Registration No.117366W/W-100018)

Nilesh Shah
(Partner)
(Membership No. 49660)
UDIN: 21049660AAAACE5164

Place: Mumbai

Date: June 18, 2021

BALANCE SHEET AS AT MARCH 31, 2021

		Particulars	Notes	As at March 31, 2021 ₹ in Lakhs	As at March 31, 2021 ₹ in Lakhs	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2020 ₹ in Lakhs
		ASSETS					
		Non-current Assets					
(a)		Property, plant and equipment	3(a)		12,690.73		12,968.94
(b)		Other Intangible assets	4		240.69		391.33
(c)		Right of Use Assets	3(b)		1,048.07		1,980.00
(d)		Financial assets					
	(i)	Investments	5(a)	4,673.90		2,561.90	
	(ii)	Trade receivables	6	914.71		922.41	
	(iii)	Loans	7	12,172.26		10,984.57	
	(iv)	Other financial assets	8	13,233.64	30,994.51	6,660.66	21,129.54
(e)		Tax assets					
	(i)	Deferred Tax Asset (Net)	9	659.89		66.00	
	(ii)	Income Tax Asset (Net)	10	2,316.06	2,975.95	3,423.78	3,489.78
(f)		Other non-current assets	11		1,861.53		3,390.23
		Total Non-current Assets			**49,811.48**		**43,349.82**
		Current Assets					
(a)		Inventories	12		26,699.12		27,818.41
(b)		Financial assets					
	(i)	Investments	5(b)	8,619.40		3,701.19	
	(ii)	Trade receivables	6	17,899.01		22,343.80	
	(iii)	Cash and cash equivalents	13	1,799.53		611.83	
	(iv)	Bank balances other than (iii) above	13	482.99		83.17	
	(v)	Loans	7	163.38		167.03	
	(vi)	Other financial assets	8	172.39	29,136.70	218.61	27,125.63
(c)		Other current assets	11		4,417.50		6,035.37
		Total Current Assets			**60,253.32**		**60,979.41**
(d)		Assets Classified as held for sale			-		0.99
		Total Assets			**1,10,064.80**		**1,04,330.22**
		EQUITY AND LIABILITIES					
		Equity					
(a)		Equity share capital	14	377.80		377.80	
(b)		Other Equity	15	(14,525.90)		(19,674.59)	
					(14,148.10)		(19,296.79)
		Total Equity			**(14,148.10)**		**(19,296.79)**
		Liabilities					
		Non-current Liabilities					
(a)		Financial Liabilities					
	(i)	Borrowings	16	7,395.40		9,849.85	
	(ii)	Lease Liabilities	30XIV	423.96		1,051.32	
	(iii)	Other financial liabilities	18	-	7,819.36	-	10,901.17
(b)		Provisions	19		356.33		336.77
(c)		Other non-current liabilities	20		11,537.18		12,593.47
		Total Non-current Liabilities			**19,712.87**		**23,831.41**
		Current liabilities					
(a)		Financial liabilities					
	(i)	Borrowings	21	21,083.05		18,467.48	
	(ii)	Lease Liabilities	30XIV	737.02		1,002.80	
	(iii)	Trade and other payables	17				
	(a)	Total outstanding dues of micro enterprises and small enterprises		3,910.07		1,801.78	
	(b)	Total outstanding dues of creditors other than micro enterprises and small enterprises		21,293.10		26,879.14	
	(iv)	Other financial liabilities	18	11,440.29	58,463.53	12,708.07	60,859.27
(b)		Provisions	19		2,001.69		1,839.25
(c)		Income tax liabilities (Net)	10		882.42		261.83
(d)		Other current liabilities	20		43,152.39		36,835.25
		Total Current Liabilities			**1,04,500.03**		**99,795.60**
		Total Liabilities			**1,24,212.90**		**1,23,627.01**
		Total Equity and Liabilities			**1,10,064.80**		**1,04,330.22**

The accompanying notes are an integral part of the financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Nilesh Shah
Partner

Mumbai , Dated : 18th June 2021

For and behalf of the Board of Directors of Eureka Forbes Limited

Anil Kamath
Director
(DIN-00015706)

Marzin R. Shroff
Managing Director & CEO
(DIN-00642613)

D Sivanandhan
Director
(DIN-03607203)

R S Moorthy
Chief Financial Officer

Jai Mavani
Director
(DIN-05260191)

Dattaram Shinde
Company Secretary

Mumbai , Dated : 18th June 2021

Statement of Profit and Loss for the year ended March 31, 2021

	Particulars	Notes	Year 2020-21 ₹ in Lakhs	Year 2019-20 ₹ in Lakhs
I	**Income**			
	Revenue from Operations	22	1,78,626.99	1,88,539.68
	Other income and other gains / (losses)- Net	23	7,009.58	3,621.53
	Total Income		**1,85,636.57**	**1,92,161.21**
II	**Expenses**			
	Cost of Materials Consumed	24	52,856.76	61,253.75
	Purchases of stock-in-trade	24	20,734.61	19,786.34
	Changes in inventories of finished goods,spares, stock-in-trade and work-in-progress	24	730.63	(3,676.00)
	Employee benefits expense	25	30,773.91	30,728.91
	Finance costs	26	3,303.27	3,968.73
	Depreciation and amortisation expense	27	2,694.66	2,739.97
	Other expenses	28	65,405.39	76,759.91
	Total expenses		**1,76,499.23**	**1,91,561.61**
III	**Profit before exceptional items and tax**		**9,137.34**	**599.60**
	Add/ (Less) : Exceptional items (Refer Note 30(X))		(1,963.46)	(40,267.85)
IV	**Profit/ (Loss) before tax and after exceptional items**		**7,173.88**	**(39,668.25)**
	Less: Tax expense			
(1)	Current tax	29	2,528.50	525.77
(2)	Deferred tax (credit) / charge	29	(593.89)	(353.14)
			1,934.61	**172.63**
V	**Profit/(Loss) for the Year**		**5,239.27**	**(39,840.88)**
VI	**Other Comprehensive Income**			
A	Items that will not be reclassified to profit or loss			
(a)	Remeasurements of the defined benefit plans Gain/(Loss)		(121.04)	(103.24)
	Tax effect		30.46	25.98
			(90.58)	(77.26)
(b)	Equity instruments through other comprehensive income		-	(206.35)
	Tax effect		-	63.62
			-	(142.73)
			(90.58)	**(219.99)**
B	Items that may be reclassified to profit or loss		-	-
VII	**Total other comprehensive Income/(Loss) (A + B)**		**(90.58)**	**(219.99)**
	Total comprehensive income/ (loss) for the Year (V+VII)		**5,148.69**	**(40,060.87)**
	Earnings per equity share:			
	(1) Basic (in ₹.)	32	138.68	(1,054.55)
	(2) Diluted (in ₹.)	32	138.68	(1,054.55)

The accompanying notes are an integral part of the financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP

Chartered Accountants

Nilesh Shah

Partner

Mumbai , Dated : 18th June 2021

For and behalf of the Board of Directors of Eureka Forbes Limited

Anil Kamath
Director
(DIN-00015706)

Marzin R. Shroff
Managing Director & CEO
(DIN-00642613)

D Sivanandhan
Director
(DIN-03607203)

R S Moorthy
Chief Financial Officer

Jai Mavani
Director
(DIN-05260191)

Dattaram Shinde
Company Secretary

Mumbai , Dated : 18th June 2021

Cash Flow Statement for the year ended March 31, 2021

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Cash flows from operating activities				
Profit/ (Loss) before tax and after exceptional items		7,173.88		(39,668.25)
Adjustments for:				
Finance costs recognised in profit and loss	3,148.69		3,731.56	
Interest on Lease Liabilities	154.58		237.17	
(Gain)/ Loss on Investment recognised in profit and loss	(150.64)		(105.05)	
Dividend Income from Subsidiary Company (refer note 30 VII)	(3,000.00)		-	
Interest Income	(1,178.00)		(957.40)	
(Gain)/ Loss on disposal of property, plant and equipment	(641.12)		(333.34)	
Remeasurements of the defined benefit plans	(121.04)		(103.24)	
Provision/write-off of doubtful debts, advances and other current assets	2,667.73		1,644.20	
Depreciation and amortisation expenses	1,651.68		2,739.97	
Depreciation and amortisation expenses on Right of use assets	1,042.98		-	
Net Gain on Lease modification	(14.65)		(7.94)	
Fair value of Investment at FVTPL	(67.88)		(0.50)	
Exceptional Items - Provision for Impairment of Investments	1,963.46		40,267.85	
Net foreign exchange (gain)/loss - unrealised	(933.98)		(1,215.87)	
Fair value Commission on Financial Guarantee	(96.82)	4,424.99	(90.02)	45,807.39
Operating Profit before Working capital Changes		**11,598.87**		**6,139.14**
Movements in working capital:				
(Increase)/decrease in trade and other receivables	4,149.25		3,353.48	
(Increase)/decrease in inventories	1,119.31		(5,300.78)	
(Increase)/decrease in loans and advances	(2,080.11)		7.67	
(Increase)/decrease in Other Assets	355.39		2,139.73	
(Increase)/decrease in Other Financial Assets	57.23		31.91	
Increase/(decrease) in trade and other payables	(2,583.15)		(902.31)	
Increase/(decrease) in provisions	182.01		515.51	
Increase/(decrease) in other liabilities	5,994.07	7,194.00	3,674.13	3,519.34
Cash generated from operations		18,792.87		9,658.48
Less : Income taxes (-paid) / refund received		(769.72)		(773.54)
Net cash generated by operating activities		**18,023.15**		**8,884.94**
Cash flows from investing activities				
Payments for investment in Subsidiary	(2,124.15)		(200.00)	
Payments for Other investments	(20,926.50)		(12,701.19)	
Proceeds on sale of Other Investments	16,238.95		9,105.55	
Interest received	40.68		104.52	
Advances given	(5,516.61)		-	
Payments for property, plant and equipment	(1,173.21)		(2,023.37)	
Proceeds from disposal of property, plant and equipment	1,028.26		695.41	
Bank Balance other than Cash & Cash equivalents	(444.01)		432.84	
ICD given	(2,000.00)		(3,453.02)	
ICD received back	2,000.00		200.00	
Net cash used from investing activities		**(12,876.59)**		**(7,839.26)**
Cash flows from financing activities				
Repayment of other short term borrowings	-		(5,000.00)	
Proceeds from borrowings	-		48.14	
Repayment of borrowings	(4,426.21)		(3,753.17)	
Net increase / (decrease) in working capital borrowings	5,115.58		8,070.89	
Payment of lease liability	(1,176.88)		(1,095.45)	
ICD taken	1,500.00		3,000.00	
ICD repaid back	(2,000.00)		(500.00)	
Interest paid	(2,971.35)		(3,741.88)	
Net cash used in financing activities		**(3,958.86)**		**(2,971.47)**
Net Increase / (Decrease) in cash and cash equivalents		**1,187.70**		**(1,925.79)**
Cash and cash equivalents at the beginning of the year		611.83		2,537.62
Cash and cash equivalents at the end of the year {refer note 13}		1,799.53		611.83
Net Increase / (Decrease) in cash and cash equivalents as disclosed above		**1,187.70**		**(1,925.79)**

Cash Flow Statement for the year ended March 31, 2021

Changes in carrying amount of financial liabilities included under financing activities under cash flow statement

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
	₹ in Lakhs	₹ in Lakhs
Opening Balance	27,789.09	28,184.06
Changes due to cash flow	689.36	(634.14)
Non cash Change (Gain)/Loss	-	239.17
Closing balance	28,478.45	27,789.09

The accompanying notes are an integral part of the financial statements

Note :

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

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Nilesh Shah

Partner

Mumbai , Dated : 18th June 2021

For and behalf of the Board of Directors of Eureka Forbes Limited

Anil Kamath
Director
(DIN-00015706)

Marzin R. Shroff
Managing Director & CEO
(DIN-00642613)

D Sivanandhan
Director
(DIN-03607203)

R S Moorthy
Chief Financial Officer

Jai Mavani
Director
(DIN-05260191)

Dattaram Shinde
Company Secretary

Mumbai , Dated : 18th June 2021

Statement of changes in equity for the year ended March 31, 2021

A. Equity share capital

	₹ in Lakhs
Balance at April 1, 2019	**377.80**
Changes in equity share capital during the year	-
Balance at March 31, 2020	**377.80**
Changes in equity share capital during the year	-
Balance at March 31, 2021	**377.80**

Eureka Forbes Limited

Statement of changes in equity for the year ended March 31, 2021 Standalone Financial Statements

B. Other Equity

Particulars	Reserves and surplus							Fair value Reserves		Total Other Equity
	Capital reserve	Capital reserve on Merger	General reserve	Capital Redemption Reserve	Retained earnings	Securities Premium	Total	Equity Instrument through Other Comprehensive Income	Total	
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Balance at April 1, 2019	**57.64**	**205.00**	**18,500.00**	**122.20**	**(1,082.50)**	2,500.00	**20,302.34**	**83.94**	**83.94**	**20,386.28**
Add:										
Profit/ (Loss) for the year	-	-	-	-	(39,840.88)	-	(39,840.88)	-	-	(39,840.88)
Other comprehensive Income/ (Loss) for the year, net of income tax	-	-	-	-	(77.26)	-	(77.26)	(142.73)	(142.73)	(219.99)
Cumulative gain/(loss) reclassified to retained earnings on sale of Equity Instrument designated as at FVTOCI	-	-	-	-	-	-	-	-	-	-
Total comprehensive Income/(Loss) for the year	**-**	**-**	**-**	**-**	**(39,918.14)**	**-**	**(39,918.14)**	**(142.73)**	**(142.73)**	**(40,060.87)**
Balance at March 31, 2020	**57.64**	**205.00**	**18,500.00**	**122.20**	**(41,000.64)**	**2,500.00**	**(19,615.80)**	**(58.79)**	**(58.79)**	**(19,674.59)**
Add:										
Profit/ (Loss) for the year	-	-	-	-	5,239.27	-	5,239.27	-	-	5,239.27
Other comprehensive Income/ (Loss) for the year, net of income tax	-	-	-	-	(90.58)	-	(90.58)	-	-	(90.58)
Cumulative gain/(loss) reclassified to retained earnings on sale of Equity Instrument designated as at FVTOCI	-	-	-	-	(58.79)	-	(58.79)	58.79	58.79	-
Total comprehensive Income/(Loss) for the year	**-**	**-**	**-**	**-**	**5,089.90**	**-**	**5,089.90**	**58.79**	**58.79**	**5,148.69**
Balance at March 31, 2021	**57.64**	**205.00**	**18,500.00**	**122.20**	**(35,910.74)**	**2,500.00**	**(14,525.90)**	**-**	**-**	**(14,525.90)**

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Nilesh Shah
Partner

Mumbai , Dated : 18th June 2021

For and behalf of the Board of Directors of Eureka Forbes Limited

Anil Kamath
Director
(DIN-00015706)

Marzin R. Shroff
Managing Director & CEO
(DIN-00642613)

D Sivanandhan
Director
(DIN-03607203)

R S Moorthy
Chief Financial Officer

Jai Mavani
Director
(DIN-05260191)

Dattaram Shinde
Company Secretary

Mumbai , Dated : 18th June 2021

Background

Eureka Forbes Limited is a limited company incorporated and domiciled in India with its registered office situated at B1/B2, 701, Marathon Innova, Off Ganpatrao Kadam Marg, Lower Parel, (West), Mumbai – 400 013. The Company is subsidiary of Forbes & Co Limited and ultimate holding company is Shapoorji Pallonji and Company Private Ltd.

The Company is engaged in 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.

Note 1: Basis of preparation of Financial statements

This note provides a list of significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented unless otherwise stated.

(a) Compliance with Indian Accounting Standards (Ind AS)

These standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

(b) Historical Cost convention

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities (including derivative instruments) that are measured at fair value.

(c) Functional and presentation currency

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

(d) Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.
Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

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

Note 2(g) and 3(a) – Useful life of Property, plant and equipment
Note 2(h) and 4 – Useful life of Intangible assets
Note 25– Employee Benefit Expense
Note 19 and 30(I)(a)– Provisions and Contingent liabilities
Note 5 (a) – Estimated Fair Values of Unlisted Securities
Note 19– Estimation for provision of Warranty Claims
Note 6– Impairment of Trade Receivables and loans
Note 10 and 29– Income taxes
Note 9 and 29– Recognition of Deferred taxes
Note 2(m)– Refund Liabilities
Note 30(XI) - Impact of Covid-19

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the next year is included in the note below.
Note 30(1) (a) and 30 (XIII) – Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

Impairment

Assets are tested for impairment on an annual basis and whenever there is an indication that the recoverable amount is less than its carrying amount based on a number of factors including operating results, business plans , future cash flows and economic conditions. The recoverable amount is determined based on higher of value-in-use and fair value less cost to sell.

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.

(e) Measurement of fair values

A number of the Company’s accounting policies and disclosures require the measurement of fair values, for both financial assets and liabilities.
Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
• In the principal market for the asset or liability, or
• In the absence of a principal market, in the most advantageous market for the assets or liability
All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. the fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and lowest priority to unobservable inputs (Level 3 inputs).
Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).
The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.
Further information about the assumptions made in measuring fair values is included in the following note:
Note 33 – Financial instruments.

Note 2: SIGNIFICANT ACCOUNTING POLICIES

(a) Foreign currency transactions

Transactions in currencies other than company's functional currency i.e. Indian Rupee are recognised at the exchange rate prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate prevailing at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are not translated. Exchange differences are recognised in profit or loss not retranslated, except exchange differences arising from the translation of the equity investments which are recognised at fair value through OCI (FVOCI) are recognised in other comprehensive income.

(b) Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

(i) Financial Assets

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

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):
• The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
• the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Investment in equity instruments of subsidiary, associates and joint ventures are measured at cost less impairment. All other financial assets are subsequently measured at fair value.

Effective interest method

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

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

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

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the ‘Other income’ line item.

Investments in equity instruments at fair value through other comprehensive income (FVTOCI)

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserve for ‘equity instruments through other comprehensive income.

(ii) Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.
Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.
Financial guarantee contracts issued by the Company are measured at their fair values.

(c) Derecognition

Financial Assets
The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.
If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

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

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

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

(d) Impairment
(i) Impairment of financial instruments
The Company recognises loss allowances for expected credit loss on financial assets measured at amortised cost, trade receivables, other contractual rights to receive cash or other financial assets and financial guarantee not designated as FVTPL.
The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses :
-bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.
-Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. The Company follows ‘simplified approach’ for recognition of impairment loss allowance for trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime expected credit loss at each reporting date, right from its initial recognition.
12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).
In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.
When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company’s historical experience and informed credit assessment and including forward- looking information.

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

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

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

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

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

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

(e) Cash and cash equivalents

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

(f) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average method, and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their present location and condition.

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

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

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

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

(g) Property plant and equipment

Freehold land is carried at historical cost. All other items of property ,plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Depreciation methods, estimated useful lives and residual value

Depreciation has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes etc.

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

Type of Assets	Period
Plant & Machinery for cleaning services	5 years
Plant & Machinery on rent	6 years
Motor Cycles	3 years
Motor Cars	5 years
Office Equipments	3 - 5 years

(h) Intangible assets

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

Amortisation

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

Type of Assets	Period
Technical Knowhow	5 years

Computer Software	5 years
Brand Name / Trademarks	5 Years

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

(i) Employee Benefits

(i) Short Term employee benefits

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

(ii) Defined Contribution Plans

Defined contribution plans are employee state insurance scheme and Government administered pension / provident fund scheme for all applicable employees and superannuation scheme for eligible employees. The Company's contribution to defined contribution plans are recognised in the Statement of Profit and Loss in the financial year to which they relate.

The Company makes specified monthly contributions towards Employee Provident Fund scheme to a separate trust administered by the Company. The minimum interest payable by the trust to the beneficiaries is being notified by the Government every year. The Company has an obligation to make good the shortfall, if any, between the return on investments of the trust and the notified interest rate.

(iii) Defined Benefit Plans

Gratuity Scheme

The Company operates a defined benefit gratuity plan for employees. The Company contributes to a separate trust administered by the Company towards meeting the Gratuity obligation. The Company's liability is determined on the basis of an actuarial valuation. Remeasurements of the net defined benefit liability as per the actuarial valuation report , which comprise actuarial gains and losses are recognised in OCI.

Other long term employee benefits

Entitlements to annual leave are recognised when they accrue to employees. The Company determines the liability for such accumulated leaves using the Projected Accrued Benefit method with actuarial valuations being carried out at each Balance Sheet date.

(j) Research and Development

(a) Capital Expenditures are shown separately under respective heads of fixed assets.
(b) Revenue expenses are included under the respective heads of expenses.

(k) Lease Accounting

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

The Company as a lessee

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The Company as a lessor

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

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

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

Ammendment in accounting standard Ind AS 116 on “Leases”

On 24 July 2020, Ministry of Corporate Affairs notified amendments to Ind AS 116 – Leases, introducing an optional practical expedient for leases in which the Company is a lessee wherein the Company is not required to assess whether eligible rent concessions, to payments originally due on or before 30 June 2021, which are direct consequences of the COVID-19 pandemic are lease modifications. The Company has elected to apply the practical expedient consistently to lease contracts.

(l) Government Grant

Government grants related to income under State Investment Promotion Scheme linked with VAT / GST payment, are recognised in the Statement of Profit and Loss in the period in which they become receivable.

(m) **Revenue Recognition**

The Company derives Revenue from sale of products primarily water purifiers and vacuum cleaners and providing related maintenance services. Revenue from sale of goods is recognised when control of the products being sold has transferred to the customer upon delivery. Revenue is measured net of taxes, returns, discounts, incentives and rebates earned by customers on the sales. Revenue from services are recognised over the period of time.

A refund liability (included in other current liabilities) is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period.

In relation to certain contracts where installation services are provided by the company, same is accounted as a separate performance obligation. Payment of the transaction price is due immediately when the customer purchases the goods/services except in certain cases where a credit term is agreed between company and 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 company using a best estimate based on accumulated experience.

Company's obligation to repair or replace faulty products under the standard warranty terms is recognised as provision.

Dividend income is recognised when the right to receive payment is established and known.

Interest income from financial asset is recognised when it is probable that the economic benefit will flow to the company and the amount of income can be measured reliably. Interest income is accrued on time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(n) **Taxation**

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

Current Tax

Current tax is measured on the basis of estimated income and tax credits computed in accordance with the provisions of the Income Tax Act,1961

Management perdiocally evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to tax authorities. Also refer note no. 30 (I) for Uncertain Tax Position

The entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

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

Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax liability are generally recognised for all taxable temporary differences. Deferred tax asset (including in respect of carried forward tax losses and tax credits) are recognised to the extent it is probable that the taxable profit will be available against which deductible temporary differences can be utilised.

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

(o) **Earnings Per Share**

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

(p) **Provisions, Contingent Liabilities and Contingent Assets**

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

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

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Contingent Liabilities are not recognised in the financial statements but are disclosed in the notes.

Contingent assets are disclosed where inflow of economic benefit is probable.

(q) **Investment in Subsidiary, Joint Ventures and Associate Companies**

The Company has elected to recognize its investments in subsidiary, joint Ventures and associate companies at cost in accordance with the option available in IND AS 27, ' Separate Financial Statement'. The details of such investments are given in Note 5. Impairment policy applicable on such investments is explained in note 2 (d) above.

(r) **Borrowing Cost**

Borrowing Cost includes interest, amortization of ancillary cost incurred in connection with the arrangement of borrowings and exchange difference arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing cost, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised, if any. All other borrowing costs are expensed in the period in which they occur.

(s) **Derivatives**

The Company enters into certain derivative contracts to hedge risks which are not designated as hedge. Such contracts are accounted for at fair value through the Statement of Profit and Loss

(t) **Assets Classified as held for sale**

Noncurrent assets (or 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 and a sale is considered highly probable. These assets are measured at lower of their carrying amount and fair value less costs to sell. Non current assets (or disposal group) are presented separately from the other assets in the balance sheet. The liabilities of disposal group, if any, are presented separately from the other liabilities in the balance sheet.

(u) **Business Combination**

Business Combination of the entities under common control are accounted using the "pooling of Interests" method and assets and liabilities are reflected at the predecessor carrying values and the only adjustments that are made are to harmonise accounting policies.

(v) **Segment Reporting**

The Group is primarily engaged in the business of Health, Hygiene & Safety products and its services. As the basic nature of these activities are governed by the same set of risk and returns, there is no primary segment identified as per Indian Accounting Standards (Ind AS) 108 "Operating Segments" notified under section 133 of the Companies Act 2013. The Group has identified geographical segment as its secondary segment.

3(a). Property, plant and equipment

Gross Block #	Land - Freehold	Land - Leasehold	Buildings **	Plant and Machinery $	Assets-on lease***	Electrical Installation & Equipment	Laboratory Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Computers	Total
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
As at 1st April 2019	315.21	46.12	8,604.90	5,837.36	286.57	1,050.45	208.30	930.23	832.73	5,583.12	4,049.94	**27,744.93**
Additions	-	-	2.57	208.52	-	29.23	46.19	19.08	30.34	940.16	213.36	1,489.45
Deletions	-	-	-	(13.22)	(249.45)	(19.69)	(0.55)	(640.60)	(32.58)	(1,520.64)	(493.99)	(2,970.72)
Reclassified on account of adoption of Ind AS 116	-	(46.12)	-	-	-	-	-	-	-	-	-	(46.12)
Classified as assets held for sale	(0.99)	-	-	-	-	-	-	-	-	-	-	(0.99)
As at 31st March 2020	314.22	-	8,607.47	6,032.66	37.12	1,059.99	253.94	308.71	830.49	5,002.64	3,769.31	26,216.55
Additions	-	-	24.07	1,230.39	-	16.35	8.87	6.74	26.03	147.01	116.75	1,576.21
Deletions	-	-	(366.89)	(112.12)	(29.85)	(100.57)	(4.48)	(31.55)	(49.36)	(572.30)	(114.13)	(1,381.25)
Reclassified on account of adoption of Ind AS 116	-	-	-	-	-	-	-	-	-	-	-	-
Assets classified as held for sale	-	-	-	-	-	-	-	-	-	-	-	-
As at 31st March 2021	**314.22**	**-**	**8,264.65**	**7,150.93**	**7.27**	**975.77**	**258.33**	**283.90**	**807.16**	**4,577.35**	**3,771.93**	**26,411.51**
Depreciation	Land - Freehold	Land - Leasehold	Buildings	Plant and Machinery	Assets-on lease	Electrical Installation & Equipment	Laboratory Equipment	Office Equipment	Furniture and fixtures	Vehicles	Computers	Total
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
As at April 1, 2019	-	5.85	2,104.99	2,700.50	113.87	792.70	106.42	764.05	587.79	3,496.39	3,569.71	14,242.27
Charge for the year	-	-	185.68	329.96	27.92	45.25	24.41	77.64	39.00	705.31	184.70	1,619.87
Deletions	-	-	-	(13.22)	(124.83)	(13.69)	(0.53)	(595.26)	(23.33)	(1,354.85)	(482.97)	(2,608.68)
Reclassified on account of adoption of Ind AS 116	-	(5.85)	-	-	-	-	-	-	-	-	-	(5.85)
Assets classified as held for sale	-	-	-	-	-	-	-	-	-	-	-	-
As at 31st March 2020	-	-	2,290.67	3,017.24	16.96	824.26	130.30	246.43	603.46	2,846.85	3,271.44	13,247.61
Charge for the year	-	-	178.84	384.35	3.56	36.28	22.06	20.59	36.24	626.48	192.64	1,501.04
Deletions	-	-	(171.54)	(97.23)	(15.76)	(89.01)	(3.49)	(29.40)	(40.77)	(469.47)	(111.20)	(1,027.87)
Reclassified on account of adoption of Ind AS 116	-	-	-	-	-	-	-	-	-	-	-	-
Assets classified as held for sale	-	-	-	-	-	-	-	-	-	-	-	-
As at 31st March 2021	**-**	**-**	**2,297.97**	**3,304.36**	**4.76**	**771.53**	**148.87**	**237.62**	**598.93**	**3,003.86**	**3,352.88**	**13,720.78**
Net Block												
As at 31st March 2020	**314.22**	**-**	**6,316.80**	**3,015.42**	**20.16**	**235.73**	**123.64**	**62.28**	**227.03**	**2,155.79**	**497.87**	**12,968.94**
As at 31st March 2021	**314.22**	**-**	**5,966.68**	**3,846.57**	**2.51**	**204.24**	**109.46**	**46.28**	**208.23**	**1,573.49**	**419.05**	**12,690.73**

** Includes a property for which co-op society is yet to be formed and also includes building given on lease

*** Assets given on Lease has a useful life of 6 years and depreciated accordingly.
$ Includes moulds given on Lease has a useful life of 15 years and depreciated accordingly.
# Refer note 35 for assets pledged as security

Notes to the financial statements for the year ended March 31, 2021 - continued

3(b). Right of Use Assets

Gross Block	Land - Leasehold ₹ in Lakhs	ROU Assets ₹ in Lakhs	Total ₹ in Lakhs
As at 1st April 2019	46.12	2,084.32	2,130.44
Additions	-	1,071.51	1,071.51
Deletions	-	(358.76)	(358.76)
As at 31st March 2020	46.12	2,797.07	2,843.19
Additions	-	172.67	172.67
Deletions	(38.88)	(82.95)	(121.83)
As at 31st March 2021	7.24	2,886.79	2,894.03
Depreciation	**Land - Leasehold ₹ in Lakhs**	**ROU Assets ₹ in Lakhs**	**Total ₹ in Lakhs**
As at April 1, 2019	5.85	-	5.85
Charge for the year	2.26	978.35	980.61
Deletions	-	(123.27)	(123.27)
As at 31st March 2020	8.11	855.08	863.19
Charge for the year	0.24	1,042.74	1,042.98
Deletions	(6.11)	(54.10)	(60.21)
As at 31st March 2021	**2.24**	**1,843.72**	**1,845.96**
Net Block			
As at 31st March 2020	**38.01**	**1,941.99**	**1,980.00**
As at 31st March 2021	**5.00**	**1,043.07**	**1,048.07**

4 Intangible Assets

Gross Block	Computer Software ₹ in Lakhs	Technical Knowhow ₹ in Lakhs	Brand Name / Trademarks # ₹ in Lakhs	Total ₹ in Lakhs
As at April 1, 2019	1,311.09	60.00	3,195.17	4,566.26
Additions	354.00	-	-	354.00
As at 31st March 2020	1,665.09	60.00	3,195.17	4,920.26
Additions	-	-	-	-
As at 31st March 2021	1,665.09	60.00	3,195.17	4,920.26
Amortisation				
As at 1st April 2019	1,166.17	28.10	3,195.17	4,389.44
Charge for the year	133.11	6.38	-	139.49
As at 31st March 2020	1,299.28	34.48	3,195.17	4,528.93
Charge for the year	145.53	5.11	-	150.64
As at 31st March 2021	1,444.81	39.59	3,195.17	4,679.57
Net Block				
As at 31st March 2020	**365.81**	**25.52**	**-**	**391.33**
As at 31st March 2021	**220.28**	**20.41**	**-**	**240.69**

Refer Note 35 for assets pledged as security

Notes to the financial statements for the year ended March 31, 2021 - continued

Financial assets

5 (a). Non Current Investments

Investments in Subsidiaries at Cost

Particulars	As at March 31, 2021 ₹ in Lakhs	As at March 31, 2020 ₹ in Lakhs
Unquoted Investments (all fully paid)		
Investments in Equity Instruments		
10,00,000 (previous year 10,00,000) equity shares of ₹ 10/- fully paid up in Forbes Facility Services Private Limited.	100.00	100.00
48,27,263 (previous year 48,27,263) equity shares of ₹ 10/- fully paid up in Forbes Enviro Solutions Limited	518.86	518.86
15,001 (previous year 15,001) ordinary shares of Euro 1/- fully paid up in EFL Mauritius Limited	9.46	9.46
3,57,765 (previous year 3,57,765) equity shares of AED 1000/- fully paid up in Euro Forbes Limited. (Includes 3,16,150 shares issued at discount)	34,732.26	34,732.26
50,000 (previous year 50,000) equity shares of ₹ 10/- fully paid up in Euro Forbes Financial Services Limited	5.00	5.00
58,55,734 (previous year 58,55,734) equity shares of ₹ 10/- each fully paid up in Aquaignis Technologies Private Limited	490.97	490.97
500,000 (previous year Nil) equity shares of ₹ 10/- fully paid up in Forbes Aquatech Limited (Refer Note:-2 below)	50.00	-
70,00,000 (previous year Nil) equity shares of ₹ 10/- fully paid up in Infinite Water Solutions Private Limited (Refer Note:-3 below)	2,474.15	-
33,500 (previous year 33,500) equity shares of CHF 1000/- each fully paid up shares in Forbes Lux International AG	22,899.48	22,899.48
Investments in Preference Shares		
2,87,05,230 (previous year 2,87,05,230) preference shares of Euro 1/- fully paid up in EFL Mauritius Limited	21,224.81	21,224.81
TOTAL UNQUOTED INVESTMENTS	82,504.99	79,980.84
Less : Aggregate amount of impairment in value of investments in Subsidiary Companies	77,831.80	77,831.80
Investments in Subsidiaries at Cost	**4,673.19**	**2,149.04**

Investments in joint ventures at cost

Particulars	As at March 31, 2021 ₹ in Lakhs	As at March 31, 2020 ₹ in Lakhs
Unquoted Investments (all fully paid)		
Investments in Equity Instruments		
Nil (previous year 500,000) equity shares of ₹ 10/- fully paid up in Forbes Aquatech Limited (Refer Note:-2 below)	-	50.00
26,25,000 (previous year 26,25,000) equity shares of ₹ 10/- fully paid up in Forbes Concept Hospitality Services Private Limited	262.50	262.50
Nil (previous year 35,00,000) equity shares of ₹ 10/- fully paid up in Infinite Water Solutions Private Limited (Refer Note:-3 below)	-	350.00
TOTAL UNQUOTED INVESTMENTS	262.50	662.50
Less : Aggregate amount of impairment in value of investments in joint ventures	262.50	262.50
Investments in joint ventures at cost	**-**	**400.00**

Notes to the financial statements for the year ended March 31, 2021 - continued

Financial assets

Other investments

Particulars	As at March 31, 2021 ₹ in Lakhs	As at March 31, 2020 ₹ in Lakhs
Unquoted Investments (all fully paid)		
Investments in Equity Instruments - Other Company at FVOCI		
Nil (previous year 17,822) equity shares of ₹ 1/- fully paid up in Idea Bubble Consulting Services Private Limited	-	12.15
7,143 (previous year 7,143) equity shares of ₹ 10/- fully paid up in Water Quality Association. (Refer Note:-1 below)	0.71	0.71
TOTAL Investments in Equity Instruments and Debentures	0.71	12.86
Less : Aggregate amount of impairment in value of investments	-	-
Unquoted Investment at cost	0.71	12.86
Other investments	0.71	12.86
Equity Component in Fair value of Financial Guarantees		
Euro Forbes Limited	415.78	415.78
Forbes Lux International AG	130.67	105.23
Lux International AG (step down subsidiary)	282.56	211.19
	829.01	732.20
Less : Aggregate amount of impairment in value of investments in Subsidiary Companies	829.01	732.20
Equity Component in Fair value of Financial Guarantees	-	-
Total Non Current Investment	4,673.90	2,561.90
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	4,673.90	2,561.90
	4,673.90	2,561.90

Note 1:- The Company has invested in 7143 shares of face value ₹ 10 /- each in a non profit making organisation hence the fair value has been considered same as the carrying value

Note 2:- Forbes Aquatech Limited (erstwhile Joint Venture), has become subsidiary during the year w.e.f 28th August 2020

Note 3:- Infinite Water Solutions Private Limited (erstwhile Joint Venture), has become subsidiary during the year w.e.f 31st March 2021

5(b). Current Investments

Particulars	As at March 31, 2021 ₹ in Lakhs	As at March 31, 2020 ₹ in Lakhs
Quoted Investments in Mutual Funds		
Tata Overnight Fund - Regular Growth- NIL (previous year 3,51,741.70 units)	-	3,701.19
Tata Liquid Fund - Regular Plan - Growth -98,114.93 units (Previous Year - NIL)	3,163.98	-
HDFC Liquid Fund - Growth - 1,35,785.52 units (Previous Year - NIL)	5,455.42	-
Total Current Investment	8,619.40	3,701.19
Aggregate amount of quoted investments and market value thereof	8,619.40	3,702.37

6. Trade receivables

Particulars	Non Current		Current	
	As at March 31, 2021 ₹ in Lakhs	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2021 ₹ in Lakhs	As at March 31, 2020 ₹ in Lakhs
Trade receivables				
Secured, considered good	-	-	-	-
Unsecured, considered good	914.71	922.41	14,618.36	19,320.36
Unsecured , Debts due from related parties (refer note 30 VII)	-	-	3,280.65	3,023.44
Unsecured, which have significant increase in credit risk	-	-	-	-
Unsecured, credit impaired	1,232.12	1,147.78	-	-
Unsecured, credit impaired from related parties (refer note 30 VII)	195.21	-	-	-
	1,427.33	1,147.78	-	-
Less: Allowance for doubtful debts	1,427.33	1,147.78	-	-
Total	914.71	922.41	17,899.01	22,343.80

Trade receivables

Transactions with firms/Private Companies in which a Directors are interested.

Trade Receivable include ₹.99.83/- Lakhs (Previous Year ₹. 140.41 Lakhs) due from a Private Company Shapoorji Pallonji and Company Pvt Limited, in which a Director of the Company is a Director.

The Company's exposure to credit risk and loss allowances related to trade receivables are disclosed in Note 34 (a)

Refer note 35 for receivables pledged as security against borrowings

7. Loans

Particulars	Non Current		Current	
	As at March 31, 2021 ₹ in Lakhs	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2021 ₹ in Lakhs	As at March 31, 2020 ₹ in Lakhs
Loans to related parties (Refer Note:-1 below) and (Refer Note 30 VII)				
-Secured, considered good	-	-	-	-
-Unsecured, considered good	12,172.26	10,984.57	150.00	150.00
-Unsecured, which have significant increase in credit risk	-	-	-	-
-Unsecured, credit impaired	14,865.34	12,998.70	-	-
Less : Allowance for bad and doubtful loans	14,865.34	12,998.70	-	-
	12,172.26	10,984.57	150.00	150.00
Loans to Employees				
-Secured, considered good	-	-	-	-
-Unsecured, considered good	-	-	13.38	17.03
-Unsecured, which have significant increase in credit risk	-	-	-	-
-Unsecured, credit impaired	-	-	-	-
Less : Allowance for bad and doubtful loans	-	-	-	-
	-	-	13.38	17.03
	12,172.26	**10,984.57**	**163.38**	**167.03**

Note 1:- Inter corporate deposit given to a subsidiary company Forbes Lux International AG is subordinated to its other existing and future liabilities

8. Other financial assets

Particulars	Non Current		Current	
	As at March 31, 2021 ₹ in Lakhs	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2021 ₹ in Lakhs	As at March 31, 2020 ₹ in Lakhs
Bank deposits with more than 12 months maturity	3.62	9.72	-	-
Deposit with Banks held as Margin Money	1,013.96	963.67	-	-
Security deposits - unsecured considered good	846.25	960.39	130.92	188.15
Advances to related parties (refer note 30 VII) (Refer Note 1 below)	5,516.61	-	-	-
Interest Accrued -				
on Inter Corporate Deposits to related parties	5,798.03	4,726.88	6.52	-
on Advances to related parties	55.17	-	-	-
on fixed deposits with Banks	-	-	34.95	30.46
	13,233.64	6,660.66	172.39	218.61

Note 1:- During the year Company has paid ₹. 5,516.61/- lakhs against the invocation of corporate guarantee given to banks on behalf of its subsidiary company since subsidiary company could not repay the instalment and interest in the absence of positive cash flow.

9. Deferred tax balances

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

Particulars	As at March 31, 2021 ₹ in Lakhs	As at March 31, 2020 ₹ in Lakhs
Deferred tax assets	1,591.43	916.19
Deferred tax liabilities	(931.54)	(850.19)
Net	**659.89**	**66.00**

10. Income tax assets and liabilities

Particulars	Non Current		Current	
	As at March 31, 2021 ₹ in Lakhs	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2021 ₹ in Lakhs	As at March 31, 2020 ₹ in Lakhs
Income tax assets (Net)				
Advance income-tax (Net of provision for taxation)	2,316.06	3,423.78	-	-
Total	2,316.06	3,423.78	-	-
Income tax Liabilities				
Provision for Taxation (Net of Advance Tax)	-	-	882.42	261.83
	-	-	882.42	261.83

11. Other Assets

Particulars	Non Current		Current	
	As at March 31, 2021 ₹ in Lakhs	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2021 ₹ in Lakhs	As at March 31, 2020 ₹ in Lakhs
Unsecured considered good, unless stated otherwise				
Capital Advances	57.64	460.64	-	-
Advances to related parties (refer note 30 VII)	272.80	272.80	0.04	0.04
Prepaid expenses	71.59	38.72	981.12	1,134.81
Right to Recover Returned Goods (Refer Note: 1 below)	-	-	90.00	81.00
Balance with statutory/ government authorities	1,459.50	1,568.07	2,386.47	2,864.77
Advances recoverable in cash or kind	-	1,050.00	959.87	1,954.75
Advances recoverable in cash or kind - Considered Doubtful	3,053.00	1,000.00	452.81	117.63
	3,053.00	2,050.00	1,412.68	2,072.38
Less: Provision for doubtful advances	3,053.00	1,000.00	452.81	117.63
	-	1,050.00	959.87	1,954.75
Total	**1,861.53**	**3,390.23**	**4,417.50**	**6,035.37**

Note 1:- A return right gives the company a contractual right to recover the goods from a customer (return assets) if the customer exercises his right to return the goods and the right to recover returned goods is accounted for the products that are expected to be returned

12. Inventories

Particulars	As at March 31, 2021 ₹ in Lakhs	As at March 31, 2020 ₹ in Lakhs
Inventories (lower of cost and net realisable value)		
Raw Materials ,Components and Packing Material { Includes in transit ₹.1,304.12/- Lakhs (Previous Year ₹ 2,350.37 Lakhs)}	5,170.45	5,559.11
Finished Goods {includes in transit:₹ 92.09/- Lakhs (Previous year: ₹ 1,137.98 Lakhs)}	4,740.61	8,888.76
Stock in Trade {includes in transit ₹. ₹.1,962.35/- Lakhs (Previous year: ₹.845.04 Lakhs)}	7,820.49	5,821.24
Spares & Accessories {includes in transit ₹.261.33/- Lakhs - (Previous year: ₹ 393.28 Lakhs)}	8,967.57	7,549.30
	26,699.12	27,818.41

* Refer note 35 for inventories pledged as security against borrowing

The cost of inventories recognised as an expense includes ₹. 541.55 lakhs (Previous year: ₹.68.30 Lakhs) in respect of write-downs of inventory to net realisable value.

Eureka Forbes Limited

Notes to the financial statements for the year ended March 31, 2021 - continued

13. Cash and cash equivalents and other bank balances

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

Particulars	As at March 31, 2021 ₹ in Lakhs	As at March 31, 2020 ₹ in Lakhs
Balances with Banks in current accounts	1,517.86	510.05
Cheques, drafts on hand	188.75	56.38
Cash on hand	90.29	41.50
Deposits with original maturity of less than 3 Months	2.63	3.90
Total Cash & cash equivalents	**1,799.53**	**611.83**
Bank Balances other than cash & cash equivalents		
Deposits with original maturity of more than 12 months *	419.82	11.83
Deposits with original maturity of more than 3 months but less than 12 months *	63.17	71.34
Total Bank Balances other than cash & cash equivalents	**482.99**	**83.17**
Cash and cash equivalents as per cash flow statement	1,799.53	611.83

* Deposits lodged as security with Government authorities

14. Equity Share Capital

Particulars	As at March 31, 2021 ₹ in Lakhs	As at March 31, 2020 ₹ in Lakhs
Equity share capital	377.80	377.80
Total	377.80	377.80

Authorised Share capital :

Particulars	Number of shares	Share capital ₹ in Lakhs
As at April 1, 2019	2,05,00,000	2,050
Increase during the year	-	
As at April 1, 2020	2,05,00,000	2,050
Increase during the year	-	-
Balance at March 31, 2021	**2,05,00,000**	**2,050**

Issued and subscribed capital comprises:

37,78,000 fully paid equity shares of ₹.10 each (as at March 31, 2020: 37,78,000)	377.80	377.80
	377.80	377.80

Movement in equity share capital :

Particulars	Number of shares	Share capital ₹ in Lakhs
Balance at April 1, 2019	37,78,000	377.80
Less: Bought back during the year	-	-
Balance at March 31, 2020	37,78,000	377.80
Less: Bought back during the year	-	-
Balance at March 31, 2021	**37,78,000**	**377.80**

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

2. Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates

Particulars	Fully paid ordinary shares	
	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year- held by Forbes & Company Limited	37,78,000	37,78,000
Add: Issued during the year	-	-
Total as at the end of the year	**37,78,000**	**37,78,000**

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

Particulars	**As at March 31, 2021**		**As at March 31, 2020**	
	Number of shares held	**% holding**	**Number of shares held**	**% holding**
Fully paid equity shares				
Forbes & Company Limited	37,78,000	100%	37,78,000	100%
Total	37,78,000	100%	37,78,000	100%

15. Other equity

Particulars	As at March 31, 2021 ₹ in Lakhs	As at March 31, 2020 ₹ in Lakhs
1) General reserve		
Balance at beginning of the year	18,500.00	18,500.00
Transfer from Profit	-	-
Balance at end of the year	**18,500.00**	**18,500.00**
2) Retained earnings		
Balance at beginning of year	(41,000.64)	(1,082.50)
Add/ (less): Profit/ (Loss) for the year	5,239.27	(39,840.88)
Other comprehensive income/(loss) arising from re-measurement of defined benefit obligation, net of tax	(90.58)	(77.26)
Cumulative gain/(loss) reclassified to retained earning on sale of Equity Instrument designated at FVTOCI	(58.79)	-
Balance at end of the year	**(35,910.74)**	**(41,000.64)**
3) Fair Value Reserves- Equity Instrument at FVTOCI		
Balance at beginning of the year	(58.79)	83.94
Add/Less: Net fair value gain/(loss) in Equity instruments through other comprehensive income (Net of Tax)	-	(142.73)
Cumulative gain/(loss) reclassified to retained earning on sale of Equity Instrument designated at FVTOCI	58.79	-
Balance at end of the year	**-**	**(58.79)**
4) Capital redemption reserve		
Balance at beginning of the year	122.20	122.20
Balance at end of the year	**122.20**	**122.20**
5) Capital Reserve on account of Merger		
Balance at beginning of the year	205.00	205.00
Balance at end of the year	**205.00**	**205.00**
6) Capital Reserve		
Balance at beginning of the year	57.64	57.64
Balance at end of the year	**57.64**	**57.64**
7) Security Premium		
Balance at beginning of the year	2,500.00	2,500.00
Balance at end of the year	**2,500.00**	**2,500.00**
Total	**(14,525.90)**	**(19,674.59)**

Description of nature and purpose of reserves

1) General Reserve
The company created a General Reserve in earlier years pursuant to the provision of the Companies Act wherein certain percentage of profits were required to be transferred to General Reserve before declaring dividend. As per Companies Act, 2013 the requirement to transfer profits to General Reserve is not mandatory. General Reserve is a free reserve available to the company .

2) Retained Earnings
This reserve represents the cumulative profits of the company and the effects of remeasurement of defined benefit obligations. The reserve can be utilised in accordance with the provision of the Companies Act, 2013

3) Reserve for equity instruments through other comprehensive income
Reserve for equity instruments through other comprehensive income represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, net of amounts reclassified to retained earnings when those assets have been disposed off.

4) Capital Redemption Reserve
As per the provisions of Companies Act, 2013 Capital Redemption Reserve is created out of the Free reserve for the amount equivalent to the paid up capital of shares bought back by the Company and for redemption of Preference share capital.

5) Capital Reserve On account of merger
Capital Reserve on account of merger represents the difference between the Share Capital of transferor company and the recorded investment of transferee company as on appointed date and shown separately in the statement of changes in Equity

6) Capital Reserve
Grants received from the government in the nature of promoter’s contribution towards fixed capital investment are recognised as capital reserve and treated as part of total equity.

7) Securities premium
Securities premium is used to record the premium on issue of shares. The reserve can be utilised in accordance with the provisions of the Companies Act , 2013

Financial Liabilities

16. Borrowings

Particulars	Non-current		Current	
	As at March 31, 2021 ₹ in Lakhs	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2021 ₹ in Lakhs	As at March 31, 2020 ₹ in Lakhs
Secured – at amortised cost				
Term loans from				
Banks - Foreign currency denominated loans	-	-	-	1,971.76
Banks - Rupee Term loan	7,395.40	9,849.85	-	-
Amount disclosed under the head "Other Financial Liabilities " (note 18)	-	-	-	(1,971.76)
Total Non-current borrowings	7,395.40	9,849.85	-	-

Summary of borrowing arrangements

(i) Rupee Term loan (RTL) from ICICI Bank amounting to ₹. 10,000.00 Lakhs (Outstanding as on 31st March 2021 ₹. 7,500.00 Lakhs) carries interest rate of 1 year MCLR + Spread and secured against pari pasu charge on tangible assets and brand name/ trade marks (Excluding vehicles and two wheelers purchased under Employee Benefit Scheme). The outstanding amount is payable 12 equal quaterly instalment starting from 18th June 2022.

17. Trade payables

Particulars	Non Current As at March 31, 2021 ₹ in Lakhs	Non Current As at March 31, 2020 ₹ in Lakhs	Current As at March 31, 2021 ₹ in Lakhs	Current As at March 31, 2020 ₹ in Lakhs
Trade and other payables				
Total outstanding dues of micro enterprises and small enterprises	-	-	3,910.07	1,801.78
Total outstanding dues of creditors other than micro enterprises and small enterprises (Refer note below for dues to Micro and Small Enterprises)	-	-	18,436.93	22,447.47
Trade payables to related parties (Refer note 30 VII)	-	-	2,856.17	4,431.67
Total	-	-	25,203.17	28,680.92

Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 under the Chapter on delayed payments to Micro and Small Enterprises

Particulars	As at March 31, 2021 ₹ in Lakhs	As at March 31, 2020 ₹ in Lakhs
(i) Principal amount remaining unpaid to MSME suppliers as on year end	3,907.88	1,797.86
(ii) Interest due on unpaid principal amount to MSME suppliers as on year end	2.19	3.92
(iii) The amount of interest paid along with the amounts of the payment made to the MSME suppliers beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year (without adding the interest under MSME Development Act)	-	-
(v) The amount of interest accrued and remaining unpaid as on year end	2.19	3.92
(vi) The amount of interest due and payable to be disallowed under Income Tax Act, 1961	2.19	3.92

18. Other financial liabilities

Particulars	Non Current		Current	
	As at March 31, 2021 ₹ in Lakhs	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2021 ₹ in Lakhs	As at March 31, 2020 ₹ in Lakhs
(a) Current maturities of long-term debt	-	-	-	1,971.76
(b) Interest accrued but not due on borrowings				
-From banks	-	-	13.69	19.15
-From related Parties (Refer note 30 VII)	-	-	-	23.76
(c) Interest free trade deposits	-	-	4,804.20	4,707.33
(d) Others :-				
-Dues to employees	-	-	4,818.51	4,298.73
-Dues on account of customer rebate schemes and other contractual liabilities	-	-	1,803.89	1,687.34
Total	-	-	11,440.29	12,708.07

19. Provisions

Particulars	Non Current		Current	
	As at March 31, 2021 ₹ in Lakhs	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2021 ₹ in Lakhs	As at March 31, 2020 ₹ in Lakhs
Employee benefits - Compensated absences	356.33	336.77	88.22	63.79
Gratuity payable	-	-	255.30	192.50
Other provisions (Refer Note 30XIII)				
Warranties	-	-	1,606.92	1,531.71
Others	-	-	51.25	51.25
Total	**356.33**	**336.77**	**2,001.69**	**1,839.25**

20. Other Liabilities

Particulars	Non Current As at March 31, 2021 ₹ in Lakhs	Non Current As at March 31, 2020 ₹ in Lakhs	Current As at March 31, 2021 ₹ in Lakhs	Current As at March 31, 2020 ₹ in Lakhs
Contract Liabilities - Income received in advance (Refer Note 30 XV)	10,626.98	11,581.85	36,201.34	32,535.27
Others - Deductions from employees for company's assets	910.20	1,011.62	1,199.38	1,265.63
Advance from customers	-	-	1,303.47	938.87
Contract Liabilities - Others (Refer Note 1 below)	-	-	22.00	6.00
Refund Liabilities (Refer Note 2 below)	-	-	1,837.40	1,104.46
Statutory liabilities (Contributions to PF,Pension, ESIC,withholding Taxes,VAT,GST etc.)	-	-	2,588.80	985.02
Total	11,537.18	12,593.47	43,152.39	36,835.25

Note 1: Contract liability pertains to deferred revenue arising as a separate performance obligation.

Note 2: The company recognises a refund liability for the amount of consideration received when a customer has a right to return products within a given period. Refund liabilities also include amount recognised for various discounts and incentives payable to customers .

21. Current Borrowings

Standalone Financial Statements

Particulars	As at March 31, 2021 ₹ in lakhs	As at March 31, 2020 ₹ in lakhs
Unsecured - at amortised cost		
Loans repayable on demand		
- from banks (refer Note 1 below)	1,977.90	986.30
- from related party (refer Note 3 below)	-	2,500.00
Secured - at amortised cost		
Loans repayable on demand		
-from banks (Cash credit/ Buyers credit) (refer Note 2 below)	19,105.15	14,981.18
Total	21,083.05	18,467.48

Note 1. Unsecured short term borrowing from banks carries interest @ 8.95 % p.a.

Note 2. Short term borrowing from banks is secured by pari-passu charge on hypothecation of stock-in-trade & book debts and carries interest @ 9 % to 10.95 % p.a.

Note 3. During the year ended 31 March 2020, the Company had taken unsecured Loan of ₹ 3,000.00/- Lakhs from Infinite Water Solutions Limited ("IWSPL") carrying an interest rate of 10.25% p.a. Company repaid Rs 1,000.00/- lakhs in cash and the balance loan along with interest has been adjusted against the interim dividend receivable by the Company from IWSPL. Also refer note 30.

22. Revenue from operations

	Year ended March 31, 2021 ₹ in Lakhs	Year ended March 31, 2020 ₹ in Lakhs
Sale of products	1,28,555.60	1,37,146.75
Sale of services	49,380.01	50,440.75
Other operating revenues		
Scrap sales	271.33	226.97
Other (includes income from renting of assets)	420.05	725.21
Total	**1,78,626.99**	**1,88,539.68**

23. Other Income and other gains/ (losses)

Other Income	Year ended March 31, 2021 ₹ in Lakhs	Year ended March 31, 2020 ₹ in Lakhs
Interest income earned on financial assets that are not designated as at fair value through profit or loss:		
Bank deposits (at amortised cost)	86.53	89.72
Interest Others	239.50	88.09
Interest income on financial assets at amortised cost	1,091.47	867.68
Dividend Income from equity Investments measured at Cost		
Subsidiaries	3,000.00	-
Fair value Commission on Financial Guarantee	96.82	90.02
Rental Income from Operating Lease	80.57	76.47
Others (includes Government grants ₹.430.58/- lakhs (previous year ₹ 211.80/- lakhs))	770.15	555.73
Total (A)	**5,365.04**	**1,767.71**

Other gains/(losses) -Net	Year ended March 31, 2021 ₹ in Lakhs	Year ended March 31, 2020 ₹ in Lakhs
Gain/(loss) on disposal of property, plant and equipment	641.12	333.34
Gain/(loss) on disposal of Investments at FVTPL	150.64	105.05
Net foreign exchange gains/(losses)	770.25	1,406.99
Net gain/(loss) arising on financial assets measured at FVTPL	67.88	0.50
Gain/(Loss) on Modification/Disposal of Right of use assets	14.65	7.94
Total (B)	**1,644.54**	**1,853.82**
Total (A+B)	**7,009.58**	**3,621.53**

24. Cost of Goods Sold

	Year ended March 31, 2021 ₹ in Lakhs	Year ended March 31, 2020 ₹ in Lakhs
Raw Materials, Components and Packing Materials -		
Inventory at the beginning of the year	5,559.11	3,934.32
Add : Purchases	52,468.10	62,878.54
	58,027.21	66,812.86
Less : Inventory at the end of the year	5,170.45	5,559.11
Cost of Raw Materials, Components and Packing Materials consumed	52,856.76	61,253.75
Purchases of stock-in-trade	20,734.61	19,786.34
Changes in inventories of finished goods, Spares, work-in-progress and stock-in-trade.	730.63	(3,676.00)
Total	**21,465.24**	**16,110.34**

25. Employee benefits expense

Particulars	Year ended March 31, 2021 ₹ in Lakhs	Year ended March 31, 2020 ₹ in Lakhs
Salaries and Wages	28,977.25	28,321.03
Contribution to provident and other funds	1,519.93	1,667.20
Staff Welfare Expenses	276.73	740.68
Total	**30,773.91**	**30,728.91**

26. Finance costs

Particulars	Year ended March 31, 2021 ₹ in Lakhs	Year ended March 31, 2020 ₹ in Lakhs
Interest on bank overdrafts and loans	3,017.30	3,180.02
Interest on Lease Liabilities	154.58	237.17
Exchange differences regarded as an adjustment to borrowing costs	74.22	75.29
Other borrowing costs	57.17	476.25
Total	**3,303.27**	**3,968.73**

27. Depreciation and amortisation expense

Particulars	Year ended March 31, 2021 ₹ in Lakhs	Year ended March 31, 2020 ₹ in Lakhs
Depreciation of property, plant and equipment	1,501.04	1,619.87
Depreciation of right of use assets	1,042.98	980.61
Amortisation of intangible assets	150.64	139.49
Total	**2,694.66**	**2,739.97**

28. Other expenses

Particulars	Year ended March 31, 2021 ₹ in Lakhs	Year ended March 31, 2020 ₹ in Lakhs
Electricity Power and fuel	225.65	313.20
Rent	969.25	1,127.80
Repairs and Maintenance -		
Building	50.47	85.85
Machinery	45.54	56.03
Others	577.37	688.63
Insurance	631.03	600.60
Advertisement	2,427.70	4,139.54
Selling and Sales Promotion	10,978.97	12,737.21
Freight, Forwarding and Delivery	4,970.39	4,665.73
Wages to contractual workers	953.74	932.94
Payment to Auditors (Refer details Below)	113.48	138.43
Printing and Stationery	112.74	257.72
Communication cost	990.76	1,043.96
Travelling and Conveyance	599.22	2,314.89
Legal and Professional Fees	3,851.65	5,394.90
Vehicle Running Expenses	812.36	1,283.21
Rates and taxes, excluding taxes on income	309.68	288.50
Conference Expenses	106.50	1,948.08
Service Charges	24,414.90	27,071.90
Information Technology Expenses	3,482.12	3,563.96
Logistics Expenses	1,835.69	1,541.04
Other Establishment Expenses	3,092.63	4,591.57
Corporate Social Responsibility Expenses (Refer Note 30 V)	99.00	139.32
Directors' Sitting Fees	33.30	23.70
Bad Debts/Advances Written-Off	805.52	511.62
Provision for Doubtful Debts / Advances	2,667.73	1,132.58
Commission to Directors	248.00	167.00
Total	**65,405.39**	**76,759.91**

Payments to auditors	Year ended March 31, 2021 ₹ in Lakhs	Year ended March 31, 2020 ₹ in Lakhs
As Statutory auditor		
For Audit fee (Includes limited review fees)	95.00	90.00
For other services	9.15	38.20
For reimbursement of expenses	0.67	1.39
As Cost auditor	4.65	4.75
	109.47	**134.34**

29. Income tax recognised in statement of profit and loss

Particulars	Year ended March 31, 2021 ₹ in Lakhs	Year ended March 31, 2020 ₹ in Lakhs
Current tax		
In respect of the current year	2,230.46	525.98
In respect of prior years	298.04	(0.21)
	2,528.50	525.77
Deferred tax		
In respect of the current year	(593.89)	(353.14)
	(593.89)	(353.14)
Total income tax expense recognised in the current year	1,934.61	172.63

Notes to the financial statements for the year ended March 31, 2021 - continued

30 Additional information to the financial statements

I Contingent liabilities and commitments (to the extent not provided for)

(a) Contingent liabilities:

(i) Corporate Guarantee given to Bank on behalf of a Subsidiary Company - ₹.19,222.56/- lakhs (previous year ₹.18,722.65/- Lakhs) (Loan Outstanding against this guarantee is ₹.6,977.90/- Lakhs (previous year ₹.13,558.38/- Lakhs))

(ii) Disputed Income Tax Demands* - ₹.1060.34/- lakhs (previous year ₹.1,143.36/- Lakhs)

(iii) Disputed Central Excise Demands - ₹.1,442.81/- lakhs(previous year ₹.1,442.81 lakhs)

(iv) Disputed Sales Tax demands -₹.3,720.79/- lakhs (previous year ₹.3,477.01/- lakhs)

(v) Disputed Service Tax demands - ₹.1,945.68/- lakhs (previous year ₹.1,945.68/- lakhs)

(vi) Disputed civil suit - ₹.33.73/- lakhs (previous year - ₹.33.73/- lakhs)

(vii) Disputed claims against the company not acknowledged as debt ₹.42.84/- lakhs (Previous Year ₹.42.84/- lakhs)

(viii) Disputed Goods and Services Tax Demand - ₹.438.16/- Lakhs (previous year ₹.82.33/- Lakhs)

(ix) One of the subsidiary company of Lux International AG, Lux Deutschland GmbH became insolvent and was liquidated and deconsolidated during the year. The Settlement Agreement concluded on the 27th November 2020, with the Insolvency Administrator of the former Lux Deutschland GmbH (“Lux Germany”) includes an earn-out clause, whereas a profit share on the consolidated Net Result of Eureka Forbes Limited Group in 2023-24 & 2024-25 or Lux Group in 2023 and 2024 would be assigned to the insolvency mass. – This profit share amounts to 1/3 of a Net Profit exceeding 1.0mn EUR in each of the two years. The total amount of the two profit shares has been limited to a maximum amount of 1.7mn EUR. Considering the historical Net Loss situation of the past years, the actual significant market distortions due to the Covid pandemic, and the high uncertainty of future profit projections, the management considers it unlikely that such profit share will have to be paid out in the upcoming years. Accordingly, no provisions have been recorded for such pay-out.

* In calculating the tax expense for the current year, the Company has considered taxability of certain income and allowability of certain expenditure for tax purpose based on the orders/judgments passed in further appeals in its own assessment of earlier years. Based on the same, no additional provision is envisaged necessary as on 31 March 2021 in respect of earlier years and current year.

(b) Commitments:

(i) Estimated amount of contracts remaining to be executed on capital account and not provided for - ₹.55.26/- lakhs (previous year ₹.351.14/- lakhs)

(ii) Towards performance guarantee ₹.474.90/- lakhs (previous year ₹.587.49 lakhs)

(iii) Towards service performance ₹. 825.79/- lakhs (previous year ₹.846.35/- lakhs)

(iv) The Company has given financial support letter for continuing operation to subsidiaries Forbes Lux International AG and Forbes Enviro Solutions Limited

In respect of all items mentioned in (a) above, till the matter are finally decided, the timing of outflow of economic benefit cannot be ascertained.

II a.) The company is in the business of giving products on operating lease and the details are as under :

	2020-21 ₹ Lakhs	2019-20 ₹ Lakhs
Gross carrying amount of products given on operating lease	7.26	37.11
Accumulated Depreciation	4.77	16.96
Depreciation for the year	3.56	27.92

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 March 31, 2021 ₹ Lakhs	As at March 31, 2020 ₹ Lakhs	As at March 31, 2021 ₹ Lakhs	As at March 31, 2020 ₹ Lakhs
Gross Amount	367.22	367.22	35.66	35.66
Accumulated Depreciation	125.86	112.87	26.40	24.70
Depreciation	12.99	12.99	1.70	1.70

c.) The company has given commercial premises under cancellable operating lease. Lease rental income included in the statement of profit and loss for the year is ₹.80.57/- Lakhs (Previous Year ₹.76.47 Lakhs) for Premises.

III The Company is primarily engaged in the business of Health, Hygiene & Safety products and its services. Information reported to and evaluated regularly by chief operating decision maker for the purpose of resource allocation and assessing performance focuses on the business as a whole. accordingly there is no other separate segment as per Indian Accounting Standard 108 dealing with "Operating Segment" . The geographical segmentation is insignificant as the export turnover is less than 10% of the total turnover and also company's Non Current assets (other than Financial Instrument, deferred tax, post employment benefits and rights arising under insurance contracts) are located in India.

Revenue from transactions with a single external customer did not amount to 10% or more of the Company's revenue from external customers for current and previous year.

The Company's main revenue is from sale of water purifiers , spares and servicing.

Revenue from External Customers :

	Year ended March 31, 2021	Year ended March 31, 2020
	₹ Lakhs	₹ Lakhs
India	1,77,280.02	1,86,228.14
Outside India	1,346.97	2,311.54
Total Revenue	**1,78,626.99**	**1,88,539.68**

IV The aggregate amount of Assets, Liabilities, Income and Expenses related to the Company's interests in the Joint Venture as at March 31, 2021 is as follows:

Sl.No	Name of the Company	Country of Incorporation	Year Ended on	% Holding	Eureka Forbes Limited Share			
					Assets	Liabilities	Income	Expenses
					₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs
1	Forbes Concept Hospitality Services Pvt Limited	India	31.03.2021	50%	9.01	8.92	0.46	0.71
			31.03.2020	50%	8.56	8.21	0.42	0.53
2	Forbes Aquatech Limited	India	31.03.2021	Note:- 1	-	-	-	-
			31.03.2020	50%	1,207.76	214.45	1,428.69	1,193.48
3	Infinite Water Solutions Pvt Limited	India	31.03.2021	Note:- 2	-	-	-	-
			31.03.2020	50%	2,836.70	853.23	2,388.93	1,990.25

Note 1:- Forbes Aquatech Limited (erstwhile Joint Venture), has become subsidiary during the year w.e.f 28th August 2020 with 66.67% of holding.
Note 2:- Infinite Water Solutions Private Limited (erstwhile Joint Venture), has become subsidiary during the year w.e.f 31st March 2021 with 100% of holding.

V Corporate social responsibility expenditure:-

Particulars	For the year ended 31 March 2021			For the year ended 31 March 2020		
a)Gross amount required to be spent by the company during the year	₹ 98.98 Lakhs			₹ 139.32 Lakhs		
b) Amount spent during the year on						
Particulars	Paid in cash	Yet to be paid	Total	Paid in cash	Yet to be paid	Total
(i) Construction/acquisition of any asset	-	-	-	-	-	-
(ii) Purposes other than (i) above	99.00	-	99.00	139.32	-	139.32

VI The Board of Directors of Eureka Forbes Limited (" the Company") at their Board Meeting held on September 08, 2020, have inter alia, approved the Composite Scheme of Arrangement (“the scheme”) under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder.

The Scheme, inter alia, provides for amalgamation and vesting of Aquaignis Technologies Private Limited (“ATPL”) and Euro Forbes Financial Services Limited (“EFFSL”) (presently wholly owned subsidiaries of the Company) with and into the Company and amalgamation and vesting of the Company with and into Forbes and Company Limited (“the Parent Company”). Further, upon the above part of the scheme becoming effective, Demerger and vesting of Demerged Undertaking (Health, Hygiene, Safety Products and Services Undertaking, as defined in the scheme) of the Parent Company into Forbes Enviro Solutions Limited (“FESL”) (presently wholly owned subsidiary of the Company), on a going concern basis. Upon the entire scheme becoming effective, the name of FESL shall be changed to Eureka Forbes Limited.

The Parent Company has filed an application seeking sanction of the scheme, with the regulatory authorities, with the appointed date of April 01, 2020. The above scheme shall be effective post receipt of all the required approvals.

VII As required under Indian Accounting Standard 24 on "Related Party Disclosures" the list of related parties and their transactions is attached. (Annexure 'A' & 'B').

VIII ₹.886.48/- Lakhs (Previous year ₹.1,335.06 Lakhs) revenue expenses incurred during the year on Research and Development has been charged to the respective heads of accounts.

IX Disclosure pursuant to Section 186(4) of the companies Act 2013

Name of the Company	Nature of transaction	Purpose	2020-21		2019-20	
			Amount Given/(Repaid) during the Year ₹ Lakhs	Closing Balance as at 31st March 2021 ₹ Lakhs	Amount Given/(Repaid) during the Year ₹ Lakhs	Closing Balance as at 31st March 2020 ₹ Lakhs
Forbes Lux International AG (Loan from Axis Bank, IBU, GIFT CITY Outstanding amount ₹.1,464.60/- Lakhs*)	Corporate Guarantee	For expansion of Business	-	5,052.86*	-	5,157.29*
Lux International AG (Loan from ICICI Bank UK Plc Outstanding amount ₹.5,513.30/- Lakhs*)	Corporate Guarantee	For expansion of Business	-	14,169.71*	-	13,565.34*
Sterling & Wilson Private Limited	Loan	Working capital	2,000.00	-	-	-
Sterling & Wilson Private Limited	Loan	Working capital	(2,000.00)	-	-	-
Forbes Lux International AG	Advances	Invocation of Bank Guarantee	-	5,516.61	-	-
Forbes Lux International AG	Loan	For expansion of Business	2,083.76	12,172.26*	3,453.02	10,984.57*
Forbes Enviro Solutions Limited	Loan	Working capital	-	150.00	(200.00)	150.00

For Investment made refer note: 5
* Year end balance has been restated at the year end forex currency rate and after Impairment.
The company has been legally advised that loans made, guarantee given or security provided do not come under the purview of Section 186 of Companies Act, 2013 as the Company is engaged in the business of infrastructure facilities which includes Manufacturing, Trading, of Water Filter cum purifiers and Water and Waste Water Treatment Plant.

X During the year, the company continued to assess the business projections (including impact of Covid-19 pandemic) on one of the subsidiary group in Europe "Lux group". Based on the assessment of the revised future projections including impact of Covid-19 pandemic, carried out by the company’s management after considering current economic conditions and trends , estimated future operating results and growth rates, an amount of ₹. 1,963.46/- Lakhs (Previous Year: 40,267.85/- Lakhs) has been further impaired in the Statement of Profit and Loss as impairment of investments and loans in Lux group and disclosed as an exceptional item.

XI Impact of Covid-19:
Operations of the Company continued to be impacted during the year due to measures imposed by various government to contain the Covid-19 pandemic. Business activities gathered momentum though recovery has been gradual and partial due to the second wave of the Covid-19 pandemic.

The Company has evaluated impact of this pandemic, including the second wave, on its business operations and financial position and based on its review of current and estimated future global, including Indian economic indicators, the related impact has been considered on its financial results and financial position as at March 31, 2021. The Company, based on current performance & estimates, expects the demand to further pick up in medium to long term and attain pre-COVID levels of performance at a cumulative level basis which the carrying amount of the receivables, inventories and investments and loans and advances (including interest accrued thereon) will be recovered. 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 statements. The Company will continue to monitor any material changes to future economic conditions.

XII Going concern:
While the company has earned profit after tax of ₹.5,239.27/- Lakhs during the year ended March 31, 2021, as of that date, the Company’s current liabilities exceeded its current assets by ₹. 44,246.71/- lakhs which includes an amount of ₹. 36,201.34/- lakhs as advance of service contracts against which service obligation is outstanding but no material cash outflow is expected since amounts will be replenished by renewals of existing and new service contracts. After adjusting such advances for service contracts, the net current liabilities effectively would be ₹. 8,045.37/- lakhs. Also, the Company has accumulated losses of ₹. 35,910.74/- lakhs as on March 31, 2021 and a total equity of ₹. (-) 14,148.10/- lakhs. Further, the company has provided financial support to its subsidiaries, 'FLIAG' and ‘Lux Group’ to repay the instalments of loans for certain borrowings of FLIAG and Lux group and also to keep them adequately capitalized. The net worth of company has been fully eroded mainly due to provision for impairment of investments in and loans to subsidiaries over the periods including for Lux Group.
The financial statements for the year ended March 31, 2021 have been prepared on a “Going Concern” basis in view of the fact that the Company has already initiated the process of taking such measures as cost reduction, revision in business strategy and reduction in cash outflow which will ultimately strengthen its financial position and also that the Company expects continued increase in demand for its products as the health consciousness amongst people is increasing consequent to the COVID-19 pandemic. Company’s operating cash flow has improved during the year ended March 31, 2021 and also has undrawn fund based facilities from banks to run its operations.
Further, Forbes & Company Limited (“Parent Company” of group) has, vide its letter dated February 8, 2021, stated that they will periodically and in a timely manner subject to approval by its Board of Directors, make further investment or infuse funds in the company as and when necessary to do so..
The Board of Directors have assessed the above conditions and indicators and have come to the conclusion that no material uncertainty exists that may cast significant doubt on the Company’s ability to continue as a going concern taking into account the plans management has put in place and the other mitigating factors described above.

XIII Disclosures required by Indian Accounting Standard 37 “Provisions, Contingent Liabilities and Contingent Assets”

A) Particulars

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
	₹ in Lakhs Excise Duty	₹ in Lakhs Sales Tax	₹ in Lakhs Excise Duty	₹ in Lakhs Sales Tax
At the beginning of the year	49.96	1.29	108.47	1.29
Additional provision during the year	-	-	-	-
Provision utilized during the year	-	-	-	-
Write back during the Year	-	-	58.51	-
At the end of the year	49.96	1.29	49.96	1.29

B) **Warranty provision**

The company gives warranty on certain products, towards satisfactory performance of products during the warranty period. Warranty provisions are made for expected future outflows where no reimbursements are expected and estimated based on using historical information on the nature frequency and average cost of warranty claims. The table given below gives information about movement in warranty provisions:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
	₹ in Lakhs	₹ in Lakhs
At the beginning of the year	1,531.71	1,030.77
Add: Additions during the year*	1,606.92	1,531.71
Less: Utilization during the year	1,465.60	500.93
Less: Unused amount reversed /(additional utilisation) during the year	66.11	529.84
At the end of the year	1,606.92	1,531.71

*Included in Service Charges under other Expenses

XIV Disclosures required under Indian Accounting Standard 116 on "Leases" refer attached Annexure 'C'.

XV Remaining performance obligation towards rendering of maintenance contracts as at the year end is recognized as "Income received in advance" and presented in "Other liabilities". This obligation pertains to maintenance services that would be carried out over the contract period for which company has received the advance. The service period ranges from 1 year to 4 years. Management believes that 77% pertaining to remaining obligation as of the year ended 31 March 2021 will be recognised as revenue during the next financial year 20% will be recognized as revenue in FY 22-23 and 3% will be recognised in FY 23-24

Reconciliation of Revenue Recognised with contract price:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
	₹ in Lakhs	₹ in Lakhs
Contract Price *	1,82,158.07	1,91,928.37
Adjustment for		
Less:		
Refund Liabilites Promotion Items	597.88	197.17
Refund Liabilities - Sales Return estimate	200.00	180.00
Performance Liabilities	22.00	6.00
Add: Unperformed performance obligation at the end the period	46,828.32	44,117.12
Less: Unperformed performance obligation at the beginning of the period	(44,117.12)	(41,111.60)
Revenue from continuing operations	1,78,626.99	1,88,539.68

* Net of Taxes

XVI The disclosures required under Indian Accounting Standard 19 "Employee Benefits" the details of post employment benefit is attached. Annexure D

XVII 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 issued. In view of this, the impact of change , if any , for the Parent and Indian subsidiaries will be assessed and recognised post notification of the relevant provisions.

XVII The Financial statement were approved for issue by the board of directors on 18th June 2021

Notes to the financial statements for the year ended March 31, 2021 - continued

30 (VII) Additional information to the financial statements

Annexure 'A'

A **Enterprises having more than one half of Voting Powers-**

Forbes & Company Limited - Holding Company

Shapoorji Pallonji and Company Private Limited - Ultimate Holding Company

B	Enterprises that are controlled - (Subsidiary Company)-	Country	Holding in % as at 31-Mar-21
1	Aquaignis Technologies Pvt. Limited	India	100
2	Forbes Aquatech Limited (w.e.f. 28th August 2020)	India	66.66
3	Infinite Water Solutions Private Limited (w.e.f. 31st March 2021)	India	100
4	EFL Mauritius Limited	Mauritius	100
5	Euro Forbes Financials Services Limited	India	100
6	Euro Forbes Limited	Dubai	100
7	Forbes Enviro Solutions Limited	India	100
8	Forbes Facility Services Pvt Limited	India	100
9	Forbes Lux FZCO	Dubai	100
10	Forbes Lux International AG	Switzerland	100
11	LIAG Trading and Investments Limited	Dubai	100
12	Lux (Deutschland) GmbH (upto 8th May 2020)	Germany	100
13	Lux Hungária Kereskedelmi Kft.	Hungary	100
14	Lux International AG	Switzerland	100
15	Lux Italia srl (upto 31st December 2020)	Italy	100
16	Lux Norge A/S (upto 31st December 2020)	Norway	100
17	Lux Oesterreich GmbH	Austria	100
18	Lux Schweiz AG	Switzerland	100
19	Lux International Services & Logistics GmbH (formerly: Lux Service GmbH)	Germany	100
20	Lux Professional SA (RENAMED. - Formerly: Lux Aqua Paraguay SA)	Paraguay	100
21	Lux del Paraguay S.A. (considered as Subsidiary by virtue of operational control)	Paraguay	80
22	Lux Welity Polska sp. z o.o.	Poland	100

C.	Enterprises under Common Control -(where there are transactions)		
1	Afcons Infrastructure Limited	India	
2	Forbes Technosys Limited	India	
3	Jaykali Developers Pvt. Limited	India	
4	Relationship Properties Pvt. Limited	India	
5	SD Corporation Private Limited	India	
6	Shapoorji Pallonji Engg & Construction Pvt Limited	India	
7	Shappoorji Infrastructure Pvt Limited	India	
8	Sterling & Wilson Pvt. Limited	India	
9	Transtonnelstroy Afcons Joint Venture	India	
10	Eureka Forbes Institute of Environment (Trust)	India	
11	Gokak Textiles	India	
D	**Associate Company**		
	Euro P2P Direct (Thailand) Co. Limited	Thailand	
E	**Joint Venture**		
1	AMC cookware Limited	South Africa	50
2	Forbes Concept Hospitality Services Private Limited	India	50
3	Forbes Aquatech Limited (upto 27th August 2020)	India	50
4	Infinite Water Solutions Private Limited (upto 30th March 2021)	India	50

F Key Management Personnel

1 Mr. Shapoor P Mistry -Non - Executive Chairman

2 Mr.Marzin R. Shroff - Managing Director & CEO

3 Mr.Pallon Shapoor Mistry - Non - Executive Director

4 Mr.Mahesh Chelaram Tahilyani - Non - Executive Director

Notes to the financial statements for the perido ended 31st Mar , 2021 - continued Annexure 'B'

(II) Transactions with Related Parties for the period ended 31st Mar 2021

Nature of Transactions	Related Party					
	Referred to in A above ₹ in Lakhs	Referred to in B above ₹ in Lakhs	Referred to in C above ₹ in Lakhs	Referred to in D above ₹ in Lakhs	Referred to in E above ₹ in Lakhs	Referred to in F above ₹ in Lakhs
Purchases						
Goods and Materials	-	7,864.92	-	-	-	-
Services	-	123.05	-	-	-	-
	-	7,987.97	-	-	-	-
Sales						
Goods and Materials	54.62	1,645.37	103.08	-	-	-
Services Rendered	4.23	4.20	59.55	-	-	-
	58.85	1,649.57	162.63	-	-	-
Expenses						
Rent and other services	-	-	-	-	-	-
Repairs & Other Expenses	-	479.19	6.86	-	-	-
Interest on ICD Taken	95.94	222.83	-	-	-	-
Recovery of Expenses	-	0.34	-	-	-	-
Management Fees/ IT expenses	559.04	-	-	-	-	-
	654.98	702.36	6.86	-	-	-
Impairment in value of investments	-	96.82	-	-	-	-
Provision for Doubtful Debts	-	195.21	-	-	-	-
Allowance for bad and doubtful loans	-	1,866.64	-	-	-	-
Income						
Rent and other services	-	87.70	-	-	-	-
Interest	-	1,143.42	2.62	-	-	-
Dividend	-	3,000.00	-	-	-	-
Misc. Income	0.56	2.16	-	-	-	-
	0.56	4,233.28	2.62	-	-	-
Other Receipts						
Other Reimbursements	-	89.58	-	-	-	-
Finance						
Inter-corporate deposits given	-	2,083.76	2,000.00	-	-	-
Inter-corporate deposits taken	1,500.00	-	-	-	-	-
Repayment of Inter-Corporate Deposits Given	-	-	2,000.00	-	-	-
Repayment of Inter-Corporate Deposits taken	1,500.00	500.00	-	-	-	-
Adjustment of ICD against Dividend income (Refer Note:-1)		2,000.00				
Outstanding						
Trade Payables	58.19	2,797.98	-	-	-	-
Trade Receivables	99.83	3,099.42	81.40	-	-	-
Inter-corporate deposits receivable	-	12,322.26	-	-	-	-
Interest Accrued	-	5,857.10	2.62	-	-	-
Other Deposits Payable	-	7.68	-	-	-	-
Advances	-	5,789.41	-	-	-	-
Remuneration						
Paid / Payable	-	-	-	-	-	338.89
Guarantees						
Outstanding	-	19,222.57	-	-	-	-

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

(III) The above Transaction includes :

Nature of Transactions	A	A	B	B	B	B	B	B	B	B	B	B	B	C
	Forbes & Company Ltd. - Holding Company	Shapoorji Pallonji and Company Private Ltd - Ultimate Holding Company	Aquaignis Technologies Pvt. Ltd.	EFL Mauritius Ltd	EURO FORBES LTD	Forbes Enviro Solutions Ltd	Forbes Facility Services Pvt Ltd.	Forbes Lux FZCO	Forbes Lux International AG	Lux International AG	LIAG Trading & Investment Ltd.	Forbes Aquatech Limited	Infinite Water Solutions Private Ltd	Afcons Infrastructure Ltd.
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Purchases														
Goods and Materials	-	-	545.16	-	-	646.51	573.85	-	-	-	-	1,648.12	4,451.28	-
Job work charges	-	-	30.06	-	-	-	-	-	-	-	-	81.38	-	-
Services Received	-	-	-	-	-	11.61	-	-	-	-	-	-	-	-
	-	**-**	**575.22**	**-**	**-**	**658.12**	**573.85**	**-**	**-**	**-**	**-**	**1,729.50**	**4,451.28**	**-**
Sales														
Goods and Materials	0.54	54.08	40.70	-	-	46.71	124.01	635.29	-	598.99	-	198.76	0.91	31.53
Services Rendered	0.18	4.05	-	-	-	1.46	2.53	-	-	-	-	-	0.21	4.90
	0.72	**58.13**	**40.70**	**-**	**-**	**48.17**	**126.54**	**635.29**	**-**	**598.99**	**-**	**198.76**	**1.12**	**36.43**
Expenses														
Repairs & Other Expenses	-	-	-	-	-	-	478.37	-	-	-	-	0.82	-	-
Interest on ICD Taken	-	95.94	-	-	-	-	-	-	-	-	-	-	222.83	-
Recovery of Expenses	-	-	-	-	-	0.34	-	-	-	-	-	-	-	-
Management Fees/ IT expenses	-	559.04	-	-	-	-	-	-	-	-	-	-	-	-
	-	**654.98**	**-**	**-**	**-**	**0.34**	**478.37**	**-**	**-**	**-**	**-**	**0.82**	**222.83**	**-**
Impairment in value of investments									96.82					
Provision for Doubtful Debts										195.21				
Allowance for bad and doubtful loans									1,866.64					
Income														
Rent and other services	-	-	33.80	-	-	11.20	6.60	-	-	-	-	0.18	35.92	-
Interest	-	-	-	-	-	17.10	-	-	1,126.32	-	-	-	-	-
Dividend	-	-	-	-	-	-	-	-	-	-	-	-	3,000.00	-
Miscellaneous Income	-	0.56		-	-		0.25	-	-	-	-	1.91		-
	-	**0.56**	**33.80**	**-**	**-**	**28.30**	**6.85**	**-**	**1,126.32**	**-**	**-**	**2.09**	**3,035.92**	**-**
Other Receipts														
Other Reimbursements	-	-	4.18	-	-	-	41.33	-	-	-	-	24.80	19.27	-
Finance														
Inter-corporate deposits given	-	-	-	-	-	-	-	-	2,083.76	-	-	-	-	-
Inter-corporate deposits taken	-	1,500.00	-	-	-	-	-	-	-	-	-	-	-	-
Interest Accrued - Received	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Repayment of Inter-Corporate Deposits Given	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Repayment of Inter-Corporate Deposits taken	-	1,500.00	-	-	-	-	-	-	-	-	-	-	500.00	-
Adjustment of ICD against Dividend income (Refer Note:-1)													2,000.00	
Outstanding														
Trade Payables	-	58.19	117.57	-	-	83.38	290.14	10.29	-	-	-	1,251.92	1,044.68	-
Trade Receivables	-	99.83	-	-	-	-	-	394.10	-	2,705.32	-	-	-	3.92
Inter-corporate deposits receivable	-	-	-	-	-	150.00	-	-	12,172.26	-	-	-	-	-
Interest Accrued	-	-	-	-	-	3.90	-	-	5,853.20	-	-	-	-	-
Other Deposits Payable	-	-	-	-	-	0.10	-	-	-	-	-	0.10	7.48	-
Advances	-	-	-	272.80	-	-	-	-	5,516.61	-	-	-	-	-
Remuneration														
Paid / Payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr. Shapoor P Mistry (Non Executive Chairman)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr.Marzin R. Shroff (Managing Director & CEO)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr.Pallon Shapoor Mistry (Non Executive Director)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr.Mahesh Chelaram Tahilyani (Non Executive Director)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Guarantees														
Outstanding	-	-	-	-	-	-	-	-	5,052.86	14,169.71	-	-	-	-

Note:-1 'During the current year, the Infinite Water Solutions Limited (IWSPL) has declared an interim dividend on 31 March 2021 amounting to ₹ 3000.00/-lakhs. This interim dividend payable by IWSPL has been adjusted against the payable unsecured Loan amounting to ₹2000.00/- lakhs (also refer note 21);- Accrued Interest on unsecured Loan amounting to ₹ 206.56/- lakhs and outstanding Trade payable amounting to ₹ 793.44/- lakhs.

The above Transaction includes :

Nature of Transactions	C Forbes Technosys Ltd ₹ in Lakhs	C Jaykali Developers Pvt. Ltd ₹ in Lakhs	C Relationship Properties Pvt. Ltd. ₹ in Lakhs	C SD Corporation Private Limited ₹ in Lakhs	C Shapoorji Pallonji Engg & Construction Pvt Ltd ₹ in Lakhs	C Shappoorji Infrastructure Pvt Ltd ₹ in Lakhs	C Sterling & Wilson Pvt. Ltd. ₹ in Lakhs	C Transtonnelstroy Afcons Joint Venture ₹ in Lakhs	C Eureka Forbes Institute of Environment (Trust) ₹ in Lakhs	C Gokak Textiles ₹ in Lakhs	F Managing Director Mr Marzin R. Shroff ₹ in Lakhs
Purchases											
Goods and Materials	-	-	-	-	-	-	-	-	-	-	-
Job work charges	-	-	-	-	-	-	-	-	-	-	-
Services Received	-	-	-	-	-	-	-	-	-	-	-
	-		**-**	**-**	**-**		**-**	**-**	**-**	**-**	
Sales											
Goods and Materials	-	0.44	2.76	1.09	0.94	-	4.52	0.52	61.28	-	-
Services Rendered	0.04	0.02	0.83	3.77	-	0.05	0.02	0.13	49.79	-	-
	0.04	**0.46**	**3.59**	**4.86**	**0.94**	**0.05**	**4.54**	**0.65**	**111.07**	**-**	
Expenses											
Repairs & Other Expenses	-	-	-	-	-	-	-	-	-	6.86	-
Interest on ICD Taken	-	-	-	-	-	-	-	-	-	-	-
Recovery of Expenses	-	-	-	-	-	-	-	-	-	-	-
Management Fees/ IT expenses	-	-	-	-	-	-	-	-	-	-	-
	-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**6.86**	**-**
Impairment in value of investments											
Provision for Doubtful Debts											
Allowance for bad and doubtful loans											
Income											
Rent and other services	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	2.62	-	-	-	-
Dividend	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Income	-	-	-	-	-	-	-	-	-	-	-
	-		**-**	**-**	**-**	**-**	**2.62**	**-**	**-**	**-**	
Other Receipts											
Other Reimbursements	-	-	-	-	-	-	-	-	-	-	-
Finance											
Inter-corporate deposits given	-	-	-	-	-	-	2,000.00	-	-	-	-
Inter-corporate deposits taken	-	-	-	-	-	-	-	-	-	-	-
Interest Accrued - Received	-	-	-	-	-	-	-	-	-	-	-
Repayment of Inter-Corporate Deposits Given	-	-	-	-	-	-	2,000.00	-	-	-	-
Repayment of Inter-Corporate Deposits taken	-	-	-	-	-	-	-	-	-	-	-
Adjustment of ICD against Dividend income (Refer Note:-1)											
Outstanding											
Trade Payables	-	-	-	-	-	-	-	-	-	-	-
Trade Receivables	1.52	-	6.50	0.13	-	-	5.80	-	63.53	-	-
Inter-corporate deposits receivable	-	-	-	-	-	-	-	-	-	-	-
Interest Accrued	-	-	-	-	-	-	2.62	-	-	-	-
Other Deposits Payable	-	-	-	-	-	-	-	-	-	-	-
Advances	-	-	-	-	-	-	-	-	-	-	-
Remuneration											
Paid / Payable	-	-	-	-	-	-	-	-	-	-	-
Mr. Shapoor P Mistry (Non Executive Chairman)	-	-	-	-	-	-	-	-	-	-	12.80
Mr.Marzin R. Shroff (Managing Director & CEO)	-	-	-	-	-	-	-	-	-	-	300.09
Mr.Pallon Shapoor Mistry (Non Executive Director)	-	-	-	-	-	-	-	-	-	-	13.00
Mr.Mahesh Chelaram Tahilyani (Non Executive Director)	-	-	-	-	-	-	-	-	-	-	13.00
Guarantees											
Outstanding	-	-	-	-	-	-	-	-	-	-	-

Note:-1 'During the current year, the Inf
adjusted against the payable unsecured
793.44/- lakhs.

30 (VII) Additional information to the financial statements

Annexure 'A'

A **Enterprises having more than one half of Voting Powers-**

Forbes & Company Limited - Holding Company

Shapoorji Pallonji and Company Private Limited - Ultimate Holding Company

	B Enterprises that are controlled - (Subsidiary Company)-	Country	Holding in % as at 31-Mar-20
1	Aquaignis Technologies Pvt. Limited	India	100
2	EFL Mauritius Limited	Mauritius	100
3	Euro Forbes Financials Services Limited	India	100
4	Euro Forbes Limited	Dubai	100
5	Forbes Enviro Solutions Limited	India	100
6	Forbes Facility Services Pvt Limited	India	100
7	Forbes Lux FZCO	Dubai	100
8	Forbes Lux International AG	Switzerland	100
9	LIAG Trading and Investments Limited	Dubai	100
10	Lux (Deutschland) GmbH	Germany	100
11	Lux Hungária Kereskedelmi Kft.	Hungary	100
12	Lux International AG	Switzerland	100
13	Lux Italia srl in Liquidation	Italy	100
14	Lux Norge A/S	Norway	100
15	Lux Oesterreich GmbH	Austria	100
16	Lux Schweiz AG	Switzerland	100
17	Lux International Services & Logistics GmbH (formerly: Lux Service GmbH)	Germany	100
18	Lux Professional SA (RENAMED. - Formerly: Lux Aqua Paraguay SA)	Paraguay	100
19	Lux del Paraguay S.A. (considered as Subsidiary by virtue of operational control)	Paraguay	80
20	Lux Welity Polska sp. z o.o. (w.e.f 29th July 2019)	Poland	100

	C. Enterprises under Common Control -(where there are transactions)	
1	Afcons Infrastructure Limited	India
2	Forbes Technosys Limited	India
3	Jaykali Developers Pvt. Limited	India
4	Relationship Properties Pvt. Limited	India
5	Samalpatti Power Co Pvt. Limited	India
6	SD Corporation Private Limited	India
7	Shapoorji Pallonji Engg & Construction Pvt Limited	India
8	Shappoorji Infrastructure Pvt Limited	India
9	Shapoorji Pallonji Oil & Gas co Pvt Limited	India
10	Sterling & Wilson Pvt. Limited	India
11	Transtonnelstroy Afcons Joint Venture	India
12	Eureka Forbes Institute of Environment (Trust)	India
13	Forvol International Services Limited	India
14	Campbell Properties and Hospitality Services Limited	India
15	Shapoorji Pallonji Finance	India

D Associate Company

	Euro P2P Direct (Thailand) Co. Limited	Thailand

	E Joint Venture		
1	AMC cookware Limited	South Africa	50
2	Forbes Aquatech Limited	India	50
3	Forbes Concept Hospitality Services Private Limited	India	50
4	Infinite Water Solutions Private Limited	India	50

F Key Management Personnel

Mr. Shapoor P Mistry -Non - Executive Chairman

Mr.Marzin R. Shroff - Managing Director & CEO

Mr.Pallon Shapoor Mistry - Non - Executive Director

Mr.Mahesh Chelaram Tahilyani - Non - Executive Director

30 (VII) **Notes to the financial statements for the year ended March 31, 2021 - continued** Annexure 'B'

(II) Transactions with Related Parties for the year ended 31st March 2020

Nature of Transactions	Related Party Referred to in A above	Referred to in B above	Referred to in C above	Referred to in D above	Referred to in E above	Referred to in F above
Purchases						
Goods and Materials	1.50	1,903.07	-	-	7,440.98	-
Services	-	92.95	-	-	54.49	-
	1.50	1,996.02	-	-	7,495.47	-
Sales						
Goods and Materials	150.40	2,667.25	203.90	-	287.09	-
Services Rendered	3.45	2.48	32.14	-	-	-
	153.85	2,669.73	236.04	-	287.09	-
Expenses						
Rent and other services	-	-	-	-	-	-
Repairs & Other Expenses	-	895.95	4.19	-	1.55	-
Finance Charges	-	-	-	-	-	-
Interest on ICD Taken	-	-	-	-	67.04	-
Bad Debts/Advances written off	-	-	-	-	-	-
Recovery of Expenses	-	-	-	-	-	-
Management Fees/ IT expenses	385.58	-	-	-	-	-
CSR contribution	-	-	25.00			
	385.58	895.95	29.19	-	68.59	-
Impairment in value of investments	-	27,269.15	-	-	-	-
Allowance for bad and doubtful loans	-	12,998.70	-	-	-	-
Income						
Rent and other services	-	49.37	-	-	36.09	-
Interest	-	866.68	-	-	-	-
Bad Debts/Advances written back	-	-	-	-	-	-
Dividend	-	-	-	-	-	-
Misc. Income	2.71	1.41	0.04	-	4.85	-
	2.71	917.46	0.04	-	40.94	-
Other Receipts						
Other Reimbursements	-	44.90	-	-	48.91	-
Finance						
Inter-corporate deposits given	-	3,453.02	-	-	-	-
Inter-corporate deposits taken	-	-	-	-	3,000.00	-
Deposit given	-	-	-	-	-	-
Deposit received	-	-	-	-	0.10	-
Interest Accrued - Received	-	-	-	-	-	-
Repayment of Inter-Corporate Deposits Given	-	200.00	-	-	-	-
Repayment of Inter-Corporate Deposits taken	-	-	-	-	500.00	-
Repayment of Deposit given	-	-	-	-	-	-
Repayment of Deposit received	-	-	-	-	-	-
Investment in shares	-	200.00	-	-	-	-
Issue of Share Capital	-					
Sale of investment	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-
Outstanding						
Trade Payables	146.05	401.03	0.12	-	3,884.46	-
Interest Payable	-	-	-	-	23.76	-
Advances Received	-	-	-	-	-	-
Trade Receivables	141.78	2,803.41	78.24	-	-	-
Inter-corporate deposits receivable	-	11,134.57	-	-	-	-
Inter-corporate deposits payable	-	-	-		2,523.76	
Interest Accrued	-	4,726.88	-	-	-	-
Other Deposits Receivable	-	-	-	-	-	-
Other Deposits Payable	-	0.10	-	-	7.58	-
Advances	-	272.80	0.04	-	-	-
Remuneration						
Paid / Payable	-	-	-	-	-	310.89
Guarantees						
Given	-	-	-	-	-	-
Outstanding	-	18,722.65	-	-	-	-

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

(III) The above Transaction includes :

Nature of Transactions	A	A	B	B	B	B	B	B	B	B	B	C	C	C	C	C	C	C	C	C	C	C	C	C	
	Forbes & Company Ltd. - Holding Company	Shapoorji Pallonji and Company Private Ltd - Ultimate Holding Company	Aquaignis Technologies Pvt. Ltd.	EFL Mauritius Ltd	EURO FORBES LTD	Forbes Enviro Solutions Ltd	Forbes Facility Services Pvt Ltd.	Forbes Lux FZCO	Forbes Lux International AG	Lux International AG	LIAG Trading & Investment Ltd.	Afcons Infrastructure Ltd.	Forbes Technosys Ltd	Jaykali Developers Pvt. Ltd	Relationship Properties Pvt. Ltd.	Samalpatti Power Co Pvt. Ltd.	SD Corporation Private Limited	Shapoorji Pallonji Engg & Construction Pvt Ltd	Shappoorji Infrastructure Pvt Ltd	Shapoorji Pallonji Oil & Gas co Pvt Ltd	Sterling & Wilson Pvt. Ltd.	Transtonnelstroy Afcons Joint Venture	Eureka Forbes Institute of Environment (Trust)	Forvol International Services Ltd	Campbell Properties and Hospitality Services Ltd.
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹			₹	₹	₹	₹		
Purchases																									
Goods and Materials	1.50	-	620.91	-	-	1,237.79	44.37	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Job work charges	-	-	34.60	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Services Received	-	-	-	-	-	58.35	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	1.50	**-**	**655.51**	**-**	**-**	**1,296.14**	**44.37**	**-**	**-**	**-**	**-**	**-**	**-**		**-**	**-**	**-**	**-**		**-**	**-**	**-**	**-**	**-**	**-**
Sales																									
Goods and Materials	3.20	147.20	46.68	-	-	129.86	281.73	799.35	-	1,190.77	218.86	13.98	-	3.19	9.09	-	9.64	0.84	0.04	-	4.99	0.93	161.11	-	-
Services Rendered	0.08	3.37	-	-	-	2.43	0.05	-	-	-	-	1.54	0.16	0.02	-	1.16	5.09	-	-	0.12	0.24	0.03	23.78	-	-
	3.28	**150.57**	**46.68**	**-**	**-**	**132.29**	**281.78**	**799.35**	**-**	**1,190.77**	**218.86**	**15.52**	**0.16**	**3.21**	**9.09**	**1.16**	**14.73**	**0.84**	**0.04**	**0.12**	**5.23**	**0.96**	**184.89**	**-**	**-**
Expenses																									
Rent	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Repairs & Other Expenses	-	-	-	-	-	22.96	872.98	0.01	-	-	-	-	-	-	-	-	0.52	-	-	-	-	-	-	3.55	0.12
Finance charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest on ICD Taken	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bad Debts/Advances written off	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Recovery of Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Management Fees/ IT expenses	-	385.58	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CSR contribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	25.00	-	-
	-	**385.58**	**-**	**-**	**-**	**22.96**	**872.98**	**0.01**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.52**	**-**	**-**	**-**	**-**	**-**	**25.00**	**3.55**	**0.12**
Impairment in value of investments	-	-	-	-	-	-	-	-	27,269.15	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Allowance for bad and doubtful loans	-	-	-	-	-	-	-	-	12,998.70	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Income																									
Rent and other services	-	-	31.19	-	-	9.18	9.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	26.58	-	-	840.10	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bad Debts/Advances written back	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Income	0.04	2.67	-	-	-	0.11	1.30	-	-	-	-	-	0.04	-	-	-	-	-	-	-	-	-	-	-	-
	0.04	**2.67**	**31.19**	**-**	**-**	**35.87**	**10.30**	**-**	**840.10**	**-**	**-**	**-**	**0.04**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Other Receipts																									
Other Reimbursements	-	-	4.48	-	-	0.46	39.96	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance																									
Inter-corporate deposits given	-	-	-	-	-	-	-	-	3,453.02	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Inter-corporate deposits taken	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deposit given	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deposit received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Accrued - Received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Repayment of Inter-Corporate Deposits Given	-	-	-	-	-	200.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Repayment of Inter-Corporate Deposits taken	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Repayment of Deposit given	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Refund of Deposit received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment in shares	-	-	-	-	-	200.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issue of Share Capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Investment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Outstanding																									
Trade Payables	1.77	144.28	145.52	-	-	53.68	191.33	10.50	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.12
Interest Payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advances Received/ Deposits received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade Receivables	1.37	140.41	0.21	-	-	-	-	231.38	-	1,485.17	1,086.65	2.43	1.47	0.06	13.78	-	-	0.07	-	-	5.68	-	54.75	-	-
Inter-corporate deposits receivable	-	-	-	-	-	150.00	-	-	10,984.57	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Inter-corporate deposits payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Accrued	-	-	-	-	-	-	-	-	4,726.88	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Deposits Receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Deposits Payable	-	-	-	-	-	0.10	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advances	-	-	-	272.80	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.04	-	-	-	-	-
Remuneration																									
Paid / Payable																									
Mr. Shapoor P Mistry (Non Executive Chairman)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr.Marzin R. Shroff (Managing Director & CEO)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr.Pallon Shapoor Mistry (Non Executive Director)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr.Mahesh Chelaram Tahilyani (Non Executive Director)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Guarantees																									
Given	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Outstanding	-	-	-	-	-	-	-	-	5,157.29	13,565.36	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

The above Transaction includes :

Nature of Transactions	A Forbes & Company Ltd. - Holding Company	A Shapoorji Pallonji and Company Private Ltd - Ultimate Holding Company	C Shapoorji Pallonji Finance	E Forbes Aquatech Limited	E Infinite Water Solutions Private Ltd	F Remuneration
	₹	₹		₹	₹	
Purchases						
Goods and Materials	1.50	-	-	2,774.81	4,666.17	-
Job work charges	-	-	-	54.49	-	-
Services Received	-	-	-	-	-	-
	1.50	**-**	**-**	**2,829.30**	**4,666.17**	
Sales						
Goods and Materials	3.20	147.20	0.09	284.73	2.36	-
Services Rendered	0.08	3.37	-	-	-	-
	3.28	**150.57**	**0.09**	**284.73**	**2.36**	
Expenses						
Rent	-	-	-	-	-	-
Repairs & Other Expenses	-	-	-	1.55	-	-
Finance charges	-	-	-	-	-	-
Interest on ICD Taken	-	-	-	-	67.04	-
Bad Debts/Advances written off	-	-	-	-	-	-
Recovery of Expenses	-	-	-	-	-	-
Management Fees/ IT expenses	-	385.58	-	-	-	-
CSR contribution	-	-	-	-	-	-
	-	**385.58**	**-**	**1.55**	**67.04**	**-**
Impairment in value of investments	-	-	-	-	-	-
Allowance for bad and doubtful loans	-	-	-	-	-	-
Income						
Rent and other services	-	-	-	0.18	35.91	-
Interest	-	-	-	-	-	-
Bad Debts/Advances written back	-	-	-	-	-	-
Dividend	-	-	-	-	-	-
Miscellaneous Income	0.04	2.67	-	4.85	-	-
	0.04	**2.67**	**-**	**5.03**	**35.91**	
Other Receipts						
Other Reimbursements	-	-	-	23.98	24.93	-
Finance						
Inter-corporate deposits given	-	-	-	-	-	-
Inter-corporate deposits taken	-	-	-	-	3,000.00	-
Deposit given	-	-	-	-	-	-
Deposit received	-	-	-	0.10	-	-
Interest Accrued - Received	-	-	-	-	-	-
Repayment of Inter-Corporate Deposits Given	-	-	-	-	-	-
Repayment of Inter-Corporate Deposits taken	-	-	-	-	500.00	-
Repayment of Deposit given	-	-	-	-	-	-
Refund of Deposit received	-	-	-	-	-	-
Investment in shares	-	-	-	-	-	-
Issue of Share Capital	-	-	-	-	-	-
Sale of Investment	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-
Outstanding						
Trade Payables	1.77	144.28	-	1,703.80	2,180.66	-
Interest Payable	-	-	-	-	23.76	-
Advances Received/ Deposits received	-	-	-	-	-	-
Trade Receivables	1.37	140.41	-	-	-	-
Inter-corporate deposits receivable	-	-	-	-	-	-
Inter-corporate deposits payable	-	-	-	-	2,523.76	-
Interest Accrued	-	-	-	-	-	-
Other Deposits Receivable	-	-	-	-	-	-
Other Deposits Payable	-	-	-	0.10	7.48	-
Advances	-	-	-	-	-	-
Remuneration						
Paid / Payable						
Mr. Shapoor P Mistry (Non Executive Chairman)	-	-	-	-	-	3.60
Mr.Marzin R. Shroff (Managing Director & CEO)	-	-	-	-	-	300.09
Mr.Pallon Shapoor Mistry (Non Executive Director)	-	-	-	-	-	3.60
Mr.Mahesh Chelaram Tahilyani (Non Executive Director)	-	-	-	-	-	3.60
Guarantees						
Given	-	-	-	-	-	-
Outstanding	-	-	-	-	-	-

XIV Company as a lessor:

Requirements with regard to lessor accounting are substantially similar to accounting requirements contained in Ind AS 17. Accordingly, Company will continue to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

Company as a lessee:
The Company adopted Ind AS 116 “Leases” and applied the standard to all lease contracts existing on April 1, 2019 using the modified prospective method. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as at the date of initial application of the standard, and discounted at the Company’s incremental borrowing rate at the date of initial application.

The following is the summary of practical expedients elected on initial application:
1 The Company has not reassessed whether a contract is or contains a lease at the date of initial application.
2 Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
3 Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application
4 Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
5 Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.
The weighted average incremental borrowing rate applied to lease liabilities as on 31st March 2021 is 10.25%

The following is the break-up of current and non-current lease liabilities as at March 31, 2021

Particulars	As at March 31, 2021	As at March 31, 2020
	₹ in Lakhs	₹ in Lakhs
Current lease liabilities	737.02	1,002.80
Non-current lease liabilities	423.96	1,051.32
Total	**1,160.98**	**2,054.12**

The following is the movement in lease liabilities during the year ended March 31, 2021:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
	₹ in Lakhs	₹ in Lakhs
Balance at the beginning	2,054.12	2,084.31
Additions	172.67	1,071.08
Finance cost accrued during the period	154.58	237.17
Deletions	(28.89)	(242.99)
Gain/(Loss) on Modification/Disposal of Right of use assets	(14.62)	-
Payment of lease liabilities	(1,176.88)	(1,095.45)
Balance at the end	**1,160.98**	**2,054.12**

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2021 on an undiscounted basis:

Particulars	As at March 31, 2021	As at March 31, 2020
	₹ in Lakhs	₹ in Lakhs
Less than one year	849.23	1,151.95
One to five years	483.38	1,137.80
More than five years	23.99	-
Total	**1,356.60**	**2,289.75**

Rental expense recorded for short-term leases was ₹. 969.25 Lakhs for the year ended March 31,2021. (Previous Year: ₹.1,127.80 Lakhs)

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Eureka Forbes Limited’s operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the company has concluded that no changes are required to lease period relating to the existing lease contracts

Amounts recognised in profit and loss

Particulars	Year ended March 31, 2021	Year ended March 31, 2020	
	₹ in Lakhs	₹ in Lakhs	
Depreciation expense on right-of-use assets	1042.98	980.61	(As per Note 27 of Financial Statement)
Interest expense on lease liabilities	154.58	237.17	(As per Note 26 of Financial Statement)
Expense relating to short-term leases	969.25	1,127.80	(As per Note 28 of Financial Statement)

Notes to the financial statements for the year ended March 31, 2021 - continued
30 Additional information to the financial statements

Annexure 'D'

XVI **Employee benefit plans**

(a) Provident Fund
The details of Eureka Forbes Limited Employees' Provident Fund and planed assets position as at 31.03.2021 is given below

Particulars	Valuation as at	
	As at March 31, 2021	As at March 31, 2020
	₹ in Lakhs	₹ in Lakhs
Present value of benefit obligation at period end	14,294.08	12,718.88
Planned Assets at the period end	16,707.53	14,704.27
Discounting Rate	6.82%	6.82%
Expected Guaranteed interest rate	8.50%	8.50%
Average Expected Future Service	14 years	20 years
Average Term To Maturity Of Assets	4.84 Years	4.83 Years

(b) Gratuity Fund
The principal assumptions used for the purposes of the actuarial valuations were as follows.

Particulars	Valuation as at	
	As at March 31, 2021	As at March 31, 2020
Discount rate(s)	6.82%	6.82%
Expected rate(s) of salary increase	4.00%	3.50%
Mortality rates	Indian Assured lives Mortality (2006-08)	Indian Assured lives Mortality (2006-08)

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

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
	₹ in Lakhs	₹ in Lakhs
Service cost:		
Current service cost	161.13	137.00
Past service cost and (gain)/loss from settlements	-	-
Expected Returns on plan assets	-	-
Net interest expense	13.13	12.27
Components of defined benefit costs recognised in profit or loss	174.26	149.27
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)	53.59	(83.23)
Actuarial (gains) / losses arising from changes in demographic assumptions	28.30	-
Actuarial (gains) / losses arising from changes in financial assumptions	70.49	134.28
Actuarial (gains) / losses arising from experience adjustments	(31.34)	52.19
Others	-	-
Adjustments for restrictions on the defined benefit asset	-	-
Components of defined benefit costs recognised in other comprehensive income	**121.04**	**103.24**
Total	295.30	252.51

Notes to the financial statements for the year ended March 31, 2021 - continued

30 Additional information to the financial statements

Annexure 'D'

XVI **Employee benefit plans**

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the statement of profit and loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as

Particulars	As at March 31, 2021	As at March 31, 2020
	₹ in Lakhs	₹ in Lakhs
Present value of funded defined benefit obligation	(2,017.71)	(1,861.84)
Fair value of plan assets	1,762.41	1,669.34
Funded status	(255.30)	(192.50)
Restrictions on asset recognised	-	-
Others	-	-
Net liability arising from defined benefit obligation	(255.30)	(192.50)

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

Particulars	As at March 31, 2021	As at March 31, 2020
	₹ in Lakhs	₹ in Lakhs
Opening defined benefit obligation	1,861.84	1,592.82
Current service cost	161.13	137.00
Interest cost	126.98	123.92
Remeasurement (gains)/losses:	-	-
Actuarial gains and losses arising from changes in demographic assumptions	28.30	-
Actuarial gains and losses arising from changes in financial assumptions	70.49	134.28
Actuarial gains and losses arising from experience adjustments	(31.34)	52.19
Liabilities Transferred In/Acquisition	-	-
Benefits paid	(199.68)	(178.37)
Closing defined benefit obligation	**2,017.72**	**1,861.84**

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

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
	₹ in Lakhs	₹ in Lakhs
Opening fair value of plan assets	1,669.35	1,435.17
Interest income	113.85	111.66
Remeasurement gain (loss):	-	-
Return on plan assets (excluding amounts included in net interest expense)	(53.59)	83.23
Contributions from the employer	232.50	217.66
Assets Transferred In/Acquisition	-	-
Benefits paid	(199.68)	(178.37)
Other	-	-
Closing fair value of plan assets	1,762.43	1,669.35

The fair value of the plan assets at the end of the reporting period for each category, are as follows.

Particulars	Fair Value of plan asset as at	
	As at March 31, 2021	As at March 31, 2020
	₹ in lakhs	₹ in lakhs
Government Of Indian Assets	930.74	590.38
State Government Securities	190.43	189.21
Special Deposit Scheme	41.03	41.03
Debt Instrument	441.97	179.58
Corporate Bond	115.06	355.99
Others	0.01	137.96
Mutual Funds	43.19	175.20
Total	**1,762.43**	**1,669.35**

Notes to the financial statements for the year ended March 31, 2021 - continued

30 Additional information to the financial statements

Annexure 'D'

XVI **Employee benefit plans**

Maturity Analysis of the Benefits Payments from the Fund

Particulars	As at March 31, 2021	As at March 31, 2020
	₹ in Lakhs	₹ in Lakhs
Projected Benefits payable in future years from the date of reporting		
1st Following Year	265.23	182.51
2nd Following Year	125.87	72.73
3rd Following Year	152.67	152.74
4th Following Year	183.42	131.23
5th Following Year	292.42	169.43
Sum of years 6 to 10	794.17	899.06
Sum of years 11 and above	1,920.61	2,147.92

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

If the discount rate is 1% higher (lower), the defined benefit obligation would decrease by ₹.132.29 Lakhs (increase by ₹.151.89 Lakhs) (as at March 31, 2020 if the discount rate is 1% higher (Lower) : decrease by ₹. 138.49/- lakhs (increase by ₹.161.56 lakhs))

If the expected salary growth increases (decreases) by 1%, the defined benefit obligation would increase by ₹.154.72 lakhs (decrease by ₹.136.87 lakhs) (as at March 31, 2020 if the discount rate is 1% increase by ₹.165.44 lakhs (decrease by ₹.144.94 lakhs))

If Employee Turnover increases (decreases) by 1%, the defined benefit obligation would increase by ₹.32.55 lakhs (decrease by ₹.36.78 lakhs) (as at March 31, 2020 if the discount rate is 1%: increase by ₹.44.91 lakhs (decrease by ₹.50.94 lakhs))

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occuring at the end of the reporting period, while holding all other assumptions constant

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

31 **Financial instruments**

Capital management

The Company's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio:

Net debt (total borrowings net of cash and cash equivalents) divided by total 'equity' (as shown in the balance sheet).

The Company strategy is to maintain a gearing ratio within 75%.

The gearing ratios were as follows:

	As at March 31, 2021 ₹ in Lakhs	As at March 31, 2020 ₹ in Lakhs
Borrowings	28,478.45	30,289.09
Less: Cash and cash equivalents	1,799.53	611.83
Adjusted net debt	26,678.92	29,677.26
Total equity	(14,148.10)	(19,296.79)
Adjusted net debt to equity ratio	-188.57%	-153.79%

During the current year and prior years the Company has accounted the impairment of investment in three of its subsidiary companies totalling to ₹. 76,345.15 Lakhs (Current year ₹. 1,963.46 lakhs and prior years ₹. 74,381.69 Lakhs) Due to this net debt to equity ratio has changed. Over a period of next 3-5 years company is planning to get back to the postive networth.

Notes to the financial statements for the year ended March 31, 2021 - continued

32. **Earnings per share**

The calculations of profit attributable to equity shareholders and weighted average number of equity

Particulars	Year ended March 31, 2021 ₹ in Lakhs	Year ended March 31, 2020 ₹ in Lakhs
Profit/(Loss) for the year attributable to equity share holders	5,239.27	(39,840.88)
Face value per equity shares	10	10
Weighted average number of equity shares used in the calculation of basic and diluted earnings per share (Nos.)	37,78,000	37,78,000
Basic and diluted earnings per share (₹)	138.68	(1,054.55)

Basic Earnings per share

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

Particulars	Year ended March 31, 2021 ₹ in Lakhs	Year ended March 31, 2020 ₹ in Lakhs
Profit for the year attributable to owners of the Company	5,239.27	(39,840.88)
Weighted average number of equity shares for the purposes of basic earnings per share (Quantity in numbers)	37,78,000	37,78,000

Notes to the financial statements for the year ended March 31, 2021 - continued

33 Financial instruments – Fair values

Accounting classification and fair values

	March 31, 2021			March 31, 2020		
	FVTPL*	FVTOCI**	Amortised Cost	FVTPL*	FVTOCI**	Amortised Cost
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Financial assets						
Cash and Bank Balances	-	-	2,282.52	-	-	695.00
Long-term loans and advances***	-	-	12,172.26	-	-	10,984.57
Short-term loans and advances	-	-	163.38	-	-	167.03
Trade and other receivables	-	-	18,813.72	-	-	23,266.21
Current Investments	8,619.40	-	-	3,701.19	-	-
Non Current Investments #	-	0.71	4,673.19	-	12.86	2,549.04
Other Current financial Asset	-	-	172.39	-	-	218.61
Other Non Current financial Asset	-	-	13,233.64	-	-	6,660.66
Total Financial Asset	**8,619.40**	**0.71**	**51,511.10**	**3,701.19**	**12.86**	**44,541.12**
Financial liabilities						
Trade and other payables	-	-	25,203.17	-	-	28,680.92
Other Current financial liabilities	-	-	11,440.29		-	12,708.07
Other Non Current financial liabilities	-	-	-	-	-	-
Current Borrowings	-	-	21,083.05	-	-	18,467.48
Non Current Borrowings	-	-	7,395.40	-	-	9,849.85
Total Financial Liabilities	**-**	**-**	**65,121.91**	**-**	**-**	**69,706.32**

*Mandatorily measured at fair value in accordance with Ind AS 109

** Investments in equity instruments designated as such upon initial recognition in accordance with paragraph 5.7.5 of Ind AS 109.
These investments in equity instruments are not held for trading. Instead, they are held for medium or long term strategic purpose. Upon the application of IND AS 109, the company has chosen to designate these investments in equity instruments at FVTOCI as it is believed that this provides a more meaningful presentation for medium or long term strategic investment than reflecting changes in fair value immediately in profit and loss Account.

*** Long Term Loans and advances is carried at net of impairment.

Includes investment in equity instruments of ₹.4,673.19/- Lakhs(previous year ₹ 2,549.04/- lakhs) carried at cost less impairment.

Notes to the financial statements for the year ended March 31, 2021 - continued

33 **Financial instruments – Fair values**

Fair value Hierarchy

This section explains the judgement and the estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value

Financial assets and liabilities measured at fair value - recurring fair value measurements At 31 March 2021 (Refer note Below)	**Level 1 ₹ in Lakhs**	**Level 2 ₹ in Lakhs**	**Level 3 ₹ in Lakhs**	**Total ₹ in Lakhs**
Financial assets				
Financial investment at FVTPL				
Listed Equity Investment	8,619.40	-	-	8,619.40
Unquoted Investments	-	-	-	-
Financial investment at FVOCI				
Quoted Investments	-	-	-	-
Unquoted Investments	-	-	0.71	0.71
Total Financial Asset	**8,619.40**	**-**	**0.71**	**8,620.11**
Financial Liabilities				
Derivatives accounted at FVTPL	-	-	-	-
Total Financial Liabilities	-	-	-	**-**

Financial assets and liabilities measured at fair value - recurring fair value measurements At March 2020 (Refer note Below)	**Level 1 ₹ in Lakhs**	**Level 2 ₹ in Lakhs**	**Level 3 ₹ in Lakhs**	**Total ₹ in Lakhs**
Financial assets				
Financial investment at FVTPL				
Listed Equity Investment	3,701.19	-	-	3,701.19
Unquoted Investments	-	-	-	-
Financial investment at FVOCI				-
Quoted Investments	-	-	-	-
Unquoted Investments	-	-	12.86	12.86
Total Financial Asset	**3,701.19**	**-**	**12.86**	**3,714.05**
Financial Liabilities				
Derivatives accounted at FVTPL	-	-	-	-
Total Financial Liabilities	-	-	-	-

Notes to the financial statements for the year ended March 31, 2021 - continued

33 **Financial instruments – Fair values**

Reconciliation of level 3 fair value measurement of financial Instruments

Particulars	Year End March 31, 2021	Year End March 31, 2020
	₹ in Lakhs	₹ in Lakhs
Opening Value of Fair Value	**12.86**	**219.21**
Fair value gain/(loss) recognised in statement of profit or Loss	-	-
Fair value gain/(loss) recognised in Other Comprehensive income	-	(206.35)
Purchases made during the year	-	-
Sales made during the year	(12.15)	-
Closing balance of fair value	**0.71**	**12.86**

Description of significant unobservable inputs to valuations for level 3 items

Significant unobservable Inputs	Relationship of unobservable Inputs to fair value
Long term revenue growth rates taking into accounts managements experience and knowledge of market conditions of the specific industries	A slight increase in the long term revenue growth rates used in isolation would result in increase in fair value
Long term pre tax operating margin taking into account managements experience and knowledge if market conditions of the specific industries	A significant increase in the long term pre tax operating margin used in isolation would result in increase in fair value
Weighted average cost of capital (WACC), determined using a Capital Asset pricing Model	A slight increase in the WACC used in isolation would result in decrease in Fair value

Valuation techniques and significant unobservable inputs

Specific valuation techniques used to value financial instruments include:
- the use of quoted market prices or dealer quotes for similar instruments.
- All of the resulting fair value estimates are included in level 1 except for unlisted equity securities where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.
- The carrying amount of Trade receivables, Trade payables, cash and Cash Equivalents are considered to be the same as their Fair Values, due to their short term in nature.
- The Fair value of financial Instrument that are not traded in an active market is determined using valuation technique. The company uses its Judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

34 Financial instruments – Financial risk management

The Company's activities expose it to market risk , liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the Company , such as foreign exchange forward contracts are entered to hedge certain foreign currency risk exposure .

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk in the financial statements

Risk	Exposure Arising from	Measurement	Management
Credit Risk	Cash and Cash Equivalents, trade receivables, financial assets measured at amortised cost and fair value through profit and loss.	Aging analysis, Credit Rating	Diversification of bank deposits, credit limits and letter of credit
Liquidity Risk	Borrowing and other liabilities	Rolling cash flow Forecast	Availability of committed credit lines and borrowing facilities
Market Risk- Foreign currency	Future commercial Transactions Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Cash flow Forecasting Sensitivity analysis	Forward foreign currency Contracts Foreign currency option
Market Risk- Interest rate	Long-term borrowings at variable rate	Sensitivity analysis	Interest rate Swaps

The Company's risk management is carried out by a Finance committee and Treasury team under policies approved by the board of directors. Treasury team identifies, evaluates and hedges financial risks in close co-operation with subject matter experts . The Board of directors periodically monitors the risk assessment.

34 Financial instruments – Financial risk management

(a) Credit risk

Credit risk arises from cash and cash equivalents , investments and deposits with banks, as well as credit exposures to customers including outstanding receivables.

The carrying amounts of financial assets represent the maximum credit risk exposure. The maximum exposure to credit risk at the reporting date was:

Particulars	As at 31 March 2021 ₹ in Lakhs	As at 31 March 2020 ₹ in Lakhs
Investments	8,620.11	3,714.05
Trade receivables	18,813.72	23,266.21
Cash and cash equivalents	1,799.53	611.83
Other bank balances	482.99	83.17
Loans	12,335.64	11,151.60
Other financial assets	13,406.03	6,879.27

Trade Receivables

The maximum exposure to credit risk for trade and other receivables by geographic region was as follows.

	As at 31 March 2021 ₹ in Lakhs	As at 31 March 2020 ₹ in Lakhs
India	15,385.76	20,315.44
Other regions	3,427.96	2,950.77
Total	18,813.72	23,266.21

Impairment

The ageing of trade and other receivables that were not impaired was as follows.

Ageing	As at 31 March 2021 ₹ in Lakhs	As at 31 March 2020 ₹ in Lakhs
0-1 Year	15,657.65	20,106.24
1-2 Year	1,449.03	1,480.42
2-3 Year	1,173.57	945.71
More Than 3 Yrs	533.47	733.84
Total	18,813.72	23,266.21

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows.

	As at 31 March 2021 ₹ in Lakhs	As at 31 March 2020 ₹ in Lakhs
Opening Balance	1,147.78	1,015.20
Impairment loss recognised	279.55	132.58
Balance	1,427.33	1,147.78

The Company held cash and cash equivalents of ₹. 1,799.53 Lakhs at March 31, 2021 (March 31, 2020: ₹ 611.83 lakhs). The cash and cash equivalents are held with bank ₹.1,517.86 Lakhs (March 2020: ₹. 510.05 Lakhs)

34 **Financial instruments – Financial risk management**

(b) **Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company’s approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company’s reputation.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted

Non-derivative financial liabilities	Contractual maturities of financial liabilities				
	On Demand ₹ In Lakhs	0- 1 year ₹ In Lakhs	1-5 years ₹ In Lakhs	> 5 years ₹ In Lakhs	Total ₹ In Lakhs
March 31, 2021					
Banks - Long term loans Including Interest		768.75	8,726.67	-	9,495.42
Loans from banks	21,083.05				21,083.05
Trade payables		25,940.19	423.96		26,364.15
Other Payable		11,440.29			11,440.29
March 31, 2020					
Banks - Foreign currency denominated loans Including Interest	-	2,002.01	-	-	2,002.01
Banks - Long term loans Including Interest		1,025.00	11,997.61	-	13,022.61
Loans from banks/Related Party	18,467.48	-	-	-	18,467.48
Trade payables	-	29,683.72	1,051.32	-	30,735.04
Other Payable	-	10,706.06	-	-	10,706.06

34 Financial instruments – Financial risk management

(c) (i) Market Risk- Foreign currency

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at March 31, 2021 and March 31, 2020

	As at 31 March 2021 USD in Lakhs	As at 31 March 2021 EUR in Lakhs	As at 31 March 2021 CHF in Lakhs
Financial assets			
Long-term loans and advances	22.00	295.30	0.87
Short-term loans and advances	27.99	0.18	-
Other Non-current financial assets	-	-	-
Trade and other receivables	45.50	-	-
	95.49	295.48	0.87
Financial liabilities			
Long term borrowings	-	-	-
Short term borrowings	-	-	-
Trade and other payables	25.94	5.70	-
Other Current financial liabilities	-	-	-
	25.94	5.70	-
Net Exposure	69.55	289.78	0.87

	As at 31 March 2020 USD in Lakhs	As at 31 March 2020 EUR in Lakhs	As at 31 March 2020 CHF in Lakhs
Financial assets			
Long-term loans and advances	22.00	270.90	0.87
Short-term loans and advances	24.36	0.28	-
Other Non-current financial assets	-	-	-
Trade and other receivables	35.82	-	-
	82.18	271.18	0.87
Financial liabilities			
Long term borrowings	-	-	-
Short term borrowings	-	-	-
Trade and other payables	18.50	4.02	-
Other Current financial liabilities	-	23.98	-
	18.50	28.00	-
Net Exposure	63.68	243.18	0.87

The following significant exchange rates have been applied .

	Year-end spot rate March 31, 2021	Year-end spot rate March 31, 2020
USD / INR	73.23	74.74
EUR / INR	85.88	82.21
CHF / INR	77.63	77.62

Sensitivity analysis

The Sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments

Effect in INR	Profit or (loss) Strengthening	Profit or (loss) Weakening
March 31, 2021	₹ in Lakhs	₹ in Lakhs
USD 5% movement	(254.66)	254.66
EUR 5% movement	(1,244.27)	1,244.27
CHF 5 % movement	(3.38)	3.38
	(1,502.31)	1,502.31

Effect in INR	Profit or (loss) Strengthening	Profit or (loss) Weakening
March 31, 2020	₹ in Lakhs	₹ in Lakhs
USD 5% movement	(237.98)	237.98
EUR 5% movement	(999.64)	999.64
CHF 5 % movement	(3.38)	3.38
	(1,241.00)	1,241.00

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

Notes to the financial statements for the year ended March 31, 2021 - continued

34 Financial instruments – Financial risk management

(c) (ii) Market Risk- Interest rate

The Exposure of the Company borrowing to interest rate changes at the end of the reporting period are as follow

Particulars	As at 31 March 2021 ₹ in Lakhs	As at 31 March 2020 ₹ in Lakhs
Variable Rate Borrowing	7,395.40	11,821.61

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the company's:

i) profit for the year ended March 31, 2021 would decrease/increase by ₹.46.64/- lakhs (2020: decrease/increase by ₹.71.39 lakhs). This is mainly attributable to the company's exposure to interest rates on its variable rate borrowings;

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

35 **Assets pledged as security**

The carrying amounts of assets pledged as security for current and non-current borrowings are:

	Notes	As at 31 March 2021 ₹ in Lakhs	As at 31 March 2020 ₹ in Lakhs
Current			
Financial Assets			
Trade Receivable	6	18,813.72	23,266.21
Inventories	12	26,699.12	27,818.41
Total Current assets pledged as security		45,512.84	51,084.62
Non-current			
Land - Freehold	3	314.22	314.22
Land - Leasehold	3	5.00	38.01
Buildings	3	5,966.68	6,316.80
Other Property, plant and equipment *	3	6,409.82	6,337.92
Brand / Trade Mark	4	-	-
Total Non Current assets pledged as security		12,695.72	13,006.95
Total assets pledged as security		**58,208.56**	**64,091.57**

* For the Current Year Property, plant and equipment as per note 3 includes moveable asset for employee benefits, which has not been pledged

36 Movement in deferred tax balances

Particulars	As at April 1, 2020	For the year 2020-21		As at March 31, 2021		
		Recognised in profit or loss	Recognised in OCI	Net	Deferred tax asset	Deferred tax liability
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Deferred tax asset						
Property, plant and equipment	(812.05)	(93.16)	-	(905.21)	-	(905.21)
Provisions	658.09	649.56	-	1,307.65	1,307.65	-
Lease Liabilities	18.65	9.77	-	28.42	28.42	-
Amortisation of Processing fees	(38.14)	11.81	-	(26.33)	-	(26.33)
Expenses allowed on Payment	239.45	15.91	-	255.36	255.36	-
Deferred Tax Assets /(Liabilities)	66.00	593.89	-	659.89	1,591.43	(931.54)

Particulars	As at April 1, 2019	For the year 2019-20		As at March 31, 2020		
		Recognised in profit or loss	Recognised in OCI	Net	Deferred tax asset	Deferred tax liability
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Deferred tax asset						
Property, plant and equipment	(1,025.47)	213.42	-	(812.05)	-	(812.05)
Provisions	420.85	173.62	63.62	658.09	658.09	-
Lease Liabilities	-	18.65	-	18.65	18.65	-
Amortisation of Processing fees	(72.65)	34.51	-	(38.14)	-	(38.14)
Expenses allowed on Payment	326.51	(87.06)	-	239.45	239.45	-
Deferred Tax Assets /(Liabilities)	(350.76)	353.14	63.62	66.00	916.19	(850.19)

Notes to the financial statements for the year ended March 31, 2021 - continued

37 Income Tax expense

(a) **Amounts recognised in profit and loss**

Particulars	For the year ended March 31, 2021 ₹ in Lakhs	For the year ended March 31, 2020 ₹ in Lakhs
Current income tax	2,528.50	525.77
Deferred tax expense	(593.89)	(353.14)
Tax expense for the year	1,934.61	172.63

(b) **Amounts recognised in other comprehensive income**

Particulars	For the year ended March 31, 2021			For the year ended March 31, 2020		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit plans	(121.04)	30.46	(90.58)	(103.24)	25.98	(77.26)
Equity Instruments through Other Comprehensive Income	-	-	-	(206.35)	63.62	(142.73)
	(121.04)	30.46	(90.58)	(309.59)	89.60	(219.99)

(c) **Reconciliation of effective tax rate**

Particulars	For the year ended March 31, 2021 ₹ in Lakhs	For the year ended March 31, 2020 ₹ in Lakhs
Profit before tax	7,173.88	(39,668.25)
Tax using the Company’s domestic tax rate : 25.168%	1,805.52	(9,983.71)
Tax effect on exceptional item for which no deferred tax assets has been recognised	494.16	10,134.61
Tax effect of amounts which are not deductible (taxable) in calculating taxable income	(79.84)	36.05
Adjustments for taxes of prior periods	298.04	-
Tax effect of amounts which are Exempt in calculating taxable income	(781.14)	(3.51)
Other Disallowance/ Round off	197.87	(10.81)
	1,934.61	**172.63**

The tax rate used for the year 2020-21 and 2019-20 reconciliations above is the corporate tax rate of 25.17% payable by corporate entities in India on taxable profits under the Indian tax law.

EFL MAURITIUS LIMITED
(a subsidiary of Eureka Forbes Limited)

Financial Statements
For the Year ended March 31, 2021

EFL Mauritius Limited

CORPORATE DATA

		Date of Appointment
DIRECTORS	Navun Dussoruth	02 December 2010
	Subiraj Gujadhur	08 November 2012
	Sunil Dhondiram Uphale	26 August 2016
	Urs Meier	07 October 2019
ADMINISTRATOR & CORPORATE SECRETARY	Apex Fund Services Mauritius Ltd 4th Floor, 19 bank Street Cybercity, Ebene 72201 Republic of Mauritius	
REGISTERED OFFICE	4th Floor, 19 bank Street Cybercity, Ebene 72201 Republic of Mauritius	
AUDITORS	Nexia Baker & Arenson Chartered Accountants 5th Floor, C & R Court 49, Labourdonnais Street Port Louis Republic of Mauritius	
BANKERS	HSBC Bank (Mauritius) Limited 6th Floor , HSBC Centre 18, Cybercity Ebene Republic of Mauritius	

EFL Mauritius Limited

COMMENTARY OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2021

The directors present the audited financial statements of EFL Mauritius Limited (the "Company") for the year ended 31 March 2021.

PRINCIPAL ACTIVITY

The principal activity of the Company is to act as an investment holding company.

RESULTS AND DIVIDEND

The results for the year are shown in the statement of profit or loss and other comprehensive income and related notes. No dividend was declared during the year under review (2020: Nil).

DIRECTORS

The membership of the Board is set out on page 2. All directors served office throughout the year.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial year which present fairly the financial position, financial performance and cash flows of the Company. In preparing those financial statements, the directors are required to:
· select suitable accounting policies and then apply them consistently;
· make judgements and estimates that are reasonable and prudent;
· state whether International Financial Reporting Standards ("IFRS'') have been followed, subject to any material departures disclosed and explained in the financial statements; and
· prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

The directors have confirmed that they have complied with the above requirements in preparing the financial statements

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Mauritius Companies Act 2001 and International Financial Reporting Standards. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and etection of fraud and other irregularities.

AUDITORS

The auditors, Nexia Baker & Arenson, have indicated their willingness to continue in office until the next Annual Meeting

EFL Mauritius Limited

CERTIFICATE FROM THE SECRETARY UNDER SECTION 166 (d) OF THE MAURITIUS COMPANIES ACT 2001 FOR THE YEAR ENDED 31 MARCH 2021

We certify to the best of our knowledge and belief that we have filed with the Registrar of Companies all such returns as are required of EFL Mauritius Limited under Section 166 (d) of the Mauritius Companies Act 2001, during the financial year ended 31 March 2021.

Signed
For Apex Fund Services (Mauritius) Ltd
Corporate Secretary

Registered Office :

4th Floor, 19 Bank Street
Cybercity, Ebene 72201
Republic of Mauritius

Date : 04 June

INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF EFL Mauritius Limited
Report on the Financial Statements

Opinion

We have audited the financial statements of EFL Mauritius Limited (the "Company") set out on pages 8 to 29 which comprise the statement of financial position as at 31 March 2021, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 March 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and comply with the Mauritius Companies Act 2001.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with International Ethics Standards Board for Accountants (IESBA Code) Code of Ethics for Professional Accountants, and we have fulfilled our other ethical responsibilities in accordance with IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertanity Relating to Going Concern

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 13,776 during the year ended 31 March 2021 and, as at that date the Company's total liabilities exceeded its total assets by EUR 281,134. 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 the going concern basis. Our opinion is not modified in respect of this matter.

Other Information

The directors are responsible for the other information. The other information comprises the Commentary of the Directors and Certificate from the Secretary. The other information does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained 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.

Directors' responsibilities for the financial statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with IFRSs and in compliance with the requirements of the Mauritius Companies Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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

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

We communicate with the directors 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.

Other Matter

This report is made solely to the Company's member, in accordance with Section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's member, those matters that we are required to state to it in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's member, for our audit work, for this report, or for the opinions we have formed.

Report on Other Legal and Regulatory Requirements

Mauritius Companies Act 2001

We have no relationship with or interests in the Company other than in our capacity as auditors.

We have obtained all information and explanations we have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

Nexia Baker & Arenson
Chartered Accountants

Ouma Shankar Ochit FCCA
Licensed by FRC

Date : 4th June 2021

EFL MAURITIUS LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH 2021

	Notes	2020 EUR	2020 INR Lakhs	2019 EUR	2019 INR Lakhs
ASSETS					
Non-current assets					
Financial Asset at fair value through other comprehensive income	**4 (b)**	2	0.00	33,86,138	3,769.88
Total Non Current Assets		**2**	**0.00**	**33,86,138**	**3,769.88**
Current assets					
Other receivables and prepayments	**5**	3,636	3.12	3,510	2.89
Cash and cash equivalents		1,50,453	129.20	1,65,908	136.40
Total Current Assets		**1,54,089**	**132.32**	**1,69,418**	**139.29**
Total assets		**1,54,091**	**132.32**	**35,55,556**	**3,909.17**
EQUITY AND LIABILITIES					
Capital and reserves					
Stated capital	**6**	2,87,20,231	21,234.26	2,87,20,231	21,234.26
Fair value reserve		(3,11,71,954)	(25,168.46)	(2,77,85,818)	(21,570.33)
Retained earnings		21,70,589	1,717.85	21,84,365	1,729.76
Foreign Currency Translation Reserve			1,974.91		2,156.39
Total Equity		**(2,81,134)**	**(241.44)**	**31,18,778**	**3,550.08**
Current liability					
Other payables and accruals	**7**	4,35,225	373.76	4,36,778	359.09
Current tax liability	**9**				
Total Liabilities		**4,35,225**	**373.76**	**4,36,778**	**359.09**
Total equity and liabilities		**1,54,091**	**132.32**	**35,55,556**	**3,909.17**
		-	0.00	-	-

The Financial Statements have been approved by the Board of Directors on 4th June 2021 and signed on its behalf by :

Sunil Dhondiram Uphale
Director

Navun Dussoruth
Director

The Notes on pages 12 to 29 form an integral part of these financial statements

EFL MAURITIUS LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST MARCH 2021

	Notes	2021 EUR	2021 INR Lakhs	2020 EUR	2020 INR Lakhs
Revenue					
Interest				-	-
Dividend				-	-
Total Revenue		-	-	-	-
Expenses					
Audit fees		2,657	2.30	5,655	4.48
FSC fees		1,823	1.58	1,710	1.36
Directors' fees		1,896	1.64	1,835	1.46
Bank Charges		1,269	1.10	1,520	1.21
Accounting fees		1,924	1.66	1,843	1.46
Annual tax return		902	0.78	911	0.72
Annual TRC fees		1,006	0.87	1,101	0.87
Other Expenses		975	0.84		
Registered office and Secretarial fees		1,020	0.88	856	0.68
ROC fees		304	0.26	281	0.22
		13,776	11.91	15,712	12.46
Operating loss for the year/period		(13,776)	(11.91)	(15,712)	(12.46)
Loss of Foreign Exchange			-	-	-
Profit before taxation		(13,776)	(11.91)	(15,712)	(12.46)
Taxation	8		-		-
Profit for the year		(13,776)	(11.91)	(15,712)	(12.46)
Other comprehensive income:					
Items that may be subsequently reclassified to profit or loss:					
Change in fair value of available-for-sale financial asset		(33,86,136)	(3,598.13)	(1,70,60,121)	(13,528.03)
Total comprehensive income/(loss) for the year/period		(33,99,912)	(3,610.04)	(1,70,75,833)	(13,540.49)

The notes attached herewith form an integral part of these financial statements.

EFL MAURITIUS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2021

	Stated capital		Fair Value Reserve		Retained earnings		Total	
	EUR	INR Lakhs	EUR	INR Lakhs	EUR	INR Lakhs	EUR	INR Lakhs
At 31 March 2019	**2,87,20,231**	**21,234.26**	**(1,07,25,697)**	**(8,042.30)**	**22,00,077**	**1,742.22**	**2,01,94,611**	**14,934.18**
Profit/(Loss) for the year	-	-	-	-	(15,712)	(12.46)	(15,712)	(12.46)
Other comprehensive income for the year	-	-	(1,70,60,121)	(13,528.03)	-	-	(1,70,60,121)	(13,528.03)
At 31 March 2020	**2,87,20,231**	**21,234.26**	**(2,77,85,818)**	**(21,570.33)**	**21,84,365**	**1,729.76**	**31,18,778**	**1,393.69**
Profit/(Loss) for the year					(13,776)	(11.91)	(13,776)	(11.91)
Other comprehensive income for the year			(33,86,136)	(3,598.13)			(33,86,136)	(3,598.13)
At 31 March 2021	**2,87,20,231**	**21,234.26**	**(3,11,71,954)**	**(25,168.46)**	**21,70,589**	**1,717.85**	**(2,81,134)**	**(2,216.35)**

EFL MAURITIUS LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST MARCH 2021

	Note	2021 EUR	2021 INR Lakhs	2020 EUR	2020 INR Lakhs
Cash flows from operating activities					
Loss before taxation		(13,776)	(11.91)	(15,712)	(12.46)
Adjustment for:					
Foreign exchange (gain)/loss		-	-		-
Operating loss before working capital changes		**(13,776)**	**(11.91)**	**(15,712)**	**(12.46)**
(Increase)/decrease in prepayments		(126)	(0.23)	(585)	(0.62)
(Increase)/decrease in other payable and accruals		(1,553)	14.67	279	19.68
Operating loss after working capital changes		**(15,455)**	**2.53**	**(16,018)**	**6.60**
Tax paid	8(b)	-	-	-	-
Net cash used in operating activites		**(15,455)**	**2.53**	**(16,018)**	**6.60**
Net decrease in cash and cash equivalents		**(15,455)**	**2.53**	**(16,018)**	**6.60**
Effects of foreign exchange		-			-
Foreign Currency Translation Reserve			(9.00)		(12.00)
Cash and cash equivalents at beginning of the year		1,65,908	136.06	1,81,926	141.46
Cash and cash equivalents at end of the year		**1,50,453**	**129.59**	**1,65,908**	**136.06**
		-	-		(0.34)

EFL Mauritius Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

1. General information

EFL Mauritius Limited (the "Company") was incorporated in Mauritius under Mauritius Companies Act, 2001 on 02 December 2010 as a Private Company with liability Limited by shares and has its Registered office at Apex Fund Services (Mauritius) Ltd, 4th Floor, 19 Bank Street, Cybercity, Ebene 72201, Mauritius. It holds a Category 1 Global Business Licence issued by the Financial Services Commission.

The principal activity of the Company is to act as an investment holding company. As at 31 March 2021, the Company's primary investment is in Forbes Lux International AG.

The financial statements of the Company are presented in Euro ("EUR").

2. Accounting policies

The principal Accounting Policies adopted in the preparation of these Financial Statements, which have been applied consistently, are set out below:

(a) Basis of preparation

The Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and under the Historical Cost convention except for Financial Instruments carried at fair value.

The preparation of Financial Statements in accordance with IFRS requires the directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of Contingent Assets and Liabilities at the date of the Consolidated Financial Statements and the Reported Amounts of Revenues and Expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from these estimates.

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 validity of this assumption depends on the continued financial support of its shareholder. The directors are of the opinion that this support will be forthcoming over the next twelve months on the basis of a letter of support received from its holding company confirming that they will provide financial support to the Company

The directors therefore believe that it is appropriate for the financial statements to be prepared on the going concern basis which assumes that the Company will continue in operational existence for the foreseeable future

(b) Standards, Amendments to published standards and interpretations effective in the reporting period

Definition of a Business (Amendments to IFRS 3) clarifies the definition of a business to help determine whether a transaction should be accounted for as a business combination or an asset acquisition and permits, in certain circumstances, a simplified assessment that an acquired set of activities and assets is not a business. The amendments have no impact on the Company's financial statements.

Definition of Material (Amendments to IAS 1 and IAS 8) clarifies the definition of material and aligns the definitions used across IFRSs and other IASB publications. The amendments have no impact on the Company's financial statements.

Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7) provides relief from certain hedge accounting requirements in order to avoid unnecessary discontinuation of existing hedge relationships during the period before the replacement of an existing interest rate benchmark with an alternative interest rate. The amendments have no impact on the Company's financial statements.

Amendments to References to the Conceptual Framework in IFRS Standards relate to minor amendments to various standards to reflect the revised Conceptual Framework for Financial Reporting. The amendments have no impact on the Company's financial statements.

Covid-19-Related Rent Concessions (Amendment to IFRS 16) provides an option to apply a simplified accounting treatment to some lease modifications in the accounts of the lessee. The amendment has no impact on the Company's financial statements.

Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) extends the temporary exemption to accounting periods beginning before 1 January 2023. The amendments have no impact on the Company's financial statements

(c) Standards, Amendments to published Standards and Interpretations issues but not effective

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after 1 January 2021 or later periods, but which the Company has not early adopted.

At the reporting date of these financial statements, the following were in issue but not yet effective:

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)
IFRS 17 Insurance Contracts
Classification of Liabilities as Current and Non Current (Amendment to IAS 1)
Annual Improvements 2018-20
Property Plant and equipmen : Proceeds before intended use (Amendment to IAS 16)
Onerous Contracts - Cost of fulfilling the contract (Amendments to IAS 37)
Refference to conceptual framework (Amendments to IFRS 3)
Amendments to IFRS 17

Where relevant, the Company is still evaluating the effect of these Standards, Amendments to published Standards and Interpretations issued but not yet effective, on the presentation of its financial statements.

(d) Foreign currency transactions

(i) Functional and presentation currency

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the Company operates (‘‘the functional currency”). The Company's performance is evaluated and its liquidity is managed in Euro. The financial statements are presented in Euro (“EUR”) and all values are rounded to the nearest thousands.

(ii) Transactions and balances

Transactions denominated in foreign currencies are recorded in Euro at the rates of exchange rating at the dates of transactions. Monetary assets and liabilities at the reporting date which are denominated in foreign currencies are translated into Euro at the rate of exchange rating at that date. Exchange differences are taken to the statement of profit or loss and other comprehensive income.

(e) Financial asset at fair value through other comprehensive income

The company has a number of strategic investments in unlisted entity which is not accounted for as subsidiaries, associates or jointly controlled entities. For those investments, the Company has made an irrevocable election to classify the investments at fair value through other comprehensive income rather than through profit or loss as the Company considers this measurement to be the most representative of the business model for these assets. They are carried at fair value with changes in fair value recognised in other comprehensive income and accumulated in the fair value through other comprehensive income reserve.

Upon disposal any balance within fair value through other comprehensive income reserve is reclassified directly to retained earnings and is not reclassified to profit or loss.

Dividends are recognised in profit or loss, unless the dividend clearly represents a recovery of part of the cost of the investment, in which case the full or partial amount of the dividend is recorded against the associated investmnets carrying amount.

Purchases and sales of financial assets measured at fair value through other comprehensive income are recognised on settlement date with any change in fair value between trade date and settlement date being recognised in the fair value through other comprehensive income reserve.

(f) Income tax

Income tax expense comprises current and deferred tax. Income tax is recognised in statement of profit or loss and other comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous year.

(g) Deferred taxation

Deferred tax is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred tax.

The principal temporary difference arises from tax losses carried forward. Deferred tax assets relating to the carry forward of unused tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

(h) Stated capital

Ordinary shares and preference shares are classified as equity.

(i) Borrowings

Borrowings are recognised initially at fair value being their issue proceeds net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of profit or loss and other comprehensive income over the period of the borrowing using the effective interest method.

(j) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

• Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income ("OCI"), and fair value through profit or loss.The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not containa significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset as its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

• Subsequent measurement

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.
The Company's financial assets at amortised cost includes cash and cash equivalents. The Company does not hold other class of financial assets.

• Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred substantially all the risks and rewards of ownership.

• Impairment

The Company assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a signifiacnt increase in credit risk. For trade receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Financial liabilities

• Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transactions costs. The Company's financial liability includes other payable and accruals.

• Subsequent measurement

Two measurement categories exist for financial liabilities: Fair value through profit or loss ("FVTPL") and amortised cost. Financial liabilities held for trading are measured at FVTPL, and all other financial liabilities are measured at amortised cost unless the fair value option is applied.

• Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

(k) Receivables

Receivables are carried at anticipated realisable value. An estimate is made for doubtful receivables based on a review of all outstanding amounts at year end. Bad debts are written off during the year in which they are identified.

(l) Cash and cash equivalents

Cash and cash equivalents comprise of bank balances. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(m) Other payable and accruals

Payables are recognised initially at fair value and subsequently stated at amortised cost. The difference between the net proceeds received and the amount payable is recognised over the period of the accrual using the effective interest method.

(n) Expense recognition

All expenses are accounted for in the statement of profit or loss and other comprehensive income on the accrual basis.

(o) Related parties

Related parties are individuals and companies where the individual or company has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions.

(p) Impairment

At end of each reporting period, the Company reviews the carrying amount of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any, and the carrying amount of the asset is reduced to its recoverable amount. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(q) Provisions

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

3. Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts recognised in the financial statements and disclosure of contingent liabilities. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Judgements

In the process of applying the accounting policies, which are described in note 2, the directors have made the following judgements that have the most significant effect on the amounts recognised in the financial statements.

Functional currency

The determination of the functional currency is critical since recording of transactions and exchange differences arising there from are dependent on the functional currency selected. As described in note 2 (d), the directors have considered those factors described therein and have determined that the functional currency of the Company is the EUR.

4 Financial Asset at Fair Value through Other comprehensive income

	2021 EUR	2021 INR Lakhs	2020 EUR	2020 INR Lakhs
At fair value				
At beginning of the year	33,86,138	3,769.88	2,04,46,259	17,297.91
Transfer from financial asset at fair value through other comprehensive income (see note 4 (b)				
Change in fair value	(33,86,136)	(3,769.88)	(1,70,60,121)	(13,528.03)
At end of the year	**2**	**0.00**	**33,86,138**	**3,769.88**

Financial Asset at Fair Value through other comprehensive income as at 31st March 2021 include the following:

Name of associated company	Country of Incorporation	Types of Shares (unquoted)	Number of Shares	% Held	Cost	Fair Value
Forbes Lux International AG	Switzerland	Ordinary Shares	**3,300**	8.97%	28,14,191	1
Forbes Lux International AG	Switzerland	Participation Shares*	**34,200**	100.00%	2,83,57,765	1
				EUR	3,11,71,956	2
				INR lakhs	25,340.22	0.00

*The Participation Shares have no voting rights.

Fair valuation estimation

IFRS 7 requires disclosure of fair value measurement by level of the following fair value measurement hierarchy:
Quoted prices (unadjusted) in active market for identical assets or liabilities-Level 1;

Inputs other than quoted prices as in level 1 that are observable for the asset or liability, either directly (that is,as prices) or indirectly(that is,derived from prices)-Level 2; and

Inputs for the asset or liability that are based on observable market data-Level 3

The following table presents the Company's available-for-sale financial asset that is measured at fair value at 31st March:

		Level 1	Level 2	Level 3	Total
2021					
Available-for-sale financial asset	**EUR**			2	2
	INR Lakhs			0.00	0.00
2020					
Available-for-sale financial asset	**EUR**	-	-	33,86,138	33,86,138
	INR Lakhs	-	-	3,769.88	3,769.88

5 Prepayments

	2020 EUR	2020 INR Lakhs	2019 EUR	2019 INR Lakhs
Directors' Fees	1,368	1.17	1,440	1.18
Annual TRC Fees	799	0.69	720	0.59
Registered Office and Secretarial Fees	638	0.55	672	0.55
FSC Fees	459	0.39	445	0.37
ROC Fees	211	0.19	233	0.20
MLRO Fees	161	0.14		
	3,636	3.13	3,510	2.89

6 Stated capital

	2021 EUR	2021 INR Lakhs	2020 EUR	2020 INR Lakhs
Issued and fully paid up:				
- Ordinary shares of EUR1 each				
At beginning and end of the year	15,001	9.46	15,001	9.46
- Preference shares of EUR1 each				
At beginning of the year	2,87,05,230	21,224.81	2,87,05,230	21,224.81
Issued During the year				-
At end of the year	2,87,05,230	21,224.81	2,87,05,230	21,224.81
Total	2,87,20,231	21,234.27	2,87,20,231	21,234.27

The Preference Shares shall have the following rights:

(a) The right to receive notice of and to vote at any meeting of the Shareholders, with each Preference Share having one vote;

(b) The Preference Shares shall be redeemable at the option of the Shareholder at any time between the period following the second year of their issue until the nineteenth year of their issue. The Preference Shares shall be redeemed at their par value, or at such other price as may be determined by the Directors.

(c) The Preference Shares shall be convertible into Ordinary Shares at the ratio of 1:1, at the option of the shareholder at any time between the period following the second year of their issue until the nineteenth year of their issue. For the avoidance of doubt, one Participating Share is convertible into one Ordinary Share.

7 Other payables and accruals

	2021 EUR	2021 INR Lakhs	2020 EUR	2020 INR Lakhs
Payable to related parties (See note 9)	4,32,374	371.31	4,32,374	355.47
Accruals	2,851	2.45	4,404	3.62
	4,35,225	373.76	4,36,778	359.09

The amount payable to related party is unsecured, interest free and repayable on demand.

8 Taxation

(a) Income tax

Under current laws and regulations, the Company is liable to pay income tax on its net income at a rate of 15%. The Company is however entitled to a tax credit equivalent to the higher of actual foreign tax suffered and 80% of Mauritius tax payable on its foreign source income up to 30 June 2021 (the "date"). Post that date, the Company will be taxed at 15% and entitled to a partial exemption of 80% on all its income derived. Its operational expenses will also be proportionately disallowed accordingly resulting into a net tax of 3% subject to the following subject conditions:
i. employing, either directly or indirectly, a reasonable number of suitably qualified persons to carry out the core activities; and
ii. having a minimum level of expenditure incurred in Mauritius, which is proportionate to its level of activities.

The Company is a Category 1 Global Business Licence Company for the purpose of the Financial Services Act 2007. Interest income on call and deposit accounts from banks licenced under the Banking Act 2004 is exempt from tax till 30 June 2021. Gains or profits derived from the sale of units or of securities by a Company holding Category 1 business licence under the Financial Services Act 2007 are exempt in Mauritius.

No Mauritian capital gains tax is payable on profits arising from sale of securities, and any dividends and redemption proceeds paid by the Company to its shareholder will be exempt from any withholding tax in Mauritius.

(b) Tax reconciliation

	2021 EUR	2021 INR Lakhs	2020 EUR	2020 INR Lakhs
(Loss)/ Profit before Taxation	(13,776)	(11.91)	(15,712)	(12.46)
Tax calculated at 15% (2019:15%)	(2,066)	(1.79)	(2,357)	(1.87)
Deferred Tax asset not recognised	2,066	1.79	2,357	1.87
Tax charge	-	-	-	-

At 31 March 2021, the Company had accumulated tax losses amounting to EUR 75,013 INR 67.11 lakhs (2019: EUR 61,237 INR 50.35 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.

A deferred tax asset of EUR 2,066 (INR 1.85 lakhs) (2020 : 2,357 INR 1.88 Lakhs) has not been recognised in respect of the tax loss carried forward as the directors consider that it is not probable that future taxable profit will be available against which the unused tax loss can be utilised.

9 Related party transactions

During the year under review,the company transacted with the below related entity.The nature, volume of transaction and the balance with the entity are as follows:

Name of related parties	Relationship	Nature of transactions	2021 Balance EUR	2021 Balance INR Lakhs	2020 Balance EUR	2020 Balance INR Lakhs
Eureka Forbes Ltd	Shareholder	Amount payable	4,32,374.0	371.31	4,32,374	355.47

The above transaction has been made at arm's length, on normal commercial terms and in the normal course of business.

10 Financial instruments and associated risks

Overview

The company has exposure to the following risks from its use of Financial istruments:

- Market Risk
- Credit Risk
- Liquidity Risk
- Compliance Risk
- Capital Risk Management
- Political,economic and social Risk

Risk Management framework

The board of Directors has overall responsibilty for the establishment and oversight of the company's risk management framework.

(a) Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company’s income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

EFL MAURITIUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

10 Financial instruments and associated risks (continued)

(a) Market Risk (continued)

Currency risk

The Company invests in shares denominated in Swiss Franc ("CHF") and conducts transactions in United States Dollors (USD). Consequently, the Company is exposed to the risk that the exchange rate of the EUR relative to the CHF and USD may change in a manner which has a material effect on the reported values of the Company's assets which are denominated in CHF and USD

Currency profile

	2021				2020			
	Financial assets		Financial liabilities		Financial assets		Financial liabilities	
	EUR	INR Lakhs	EUR	INR Lakhs	EUR	INR Lakhs	EUR	INR Lakhs
Swiss Franc ("CHF")	2	0.00	-		33,86,138	3,769.88		
United States ("USD")	-		2,851	2.45			4,404	3.62
Euro ("EUR")	1,50,453	129.20	4,32,374	371.31	1,65,908	136.40	4,32,374	355.47
Total	**1,50,455**	**129.20**	**4,35,225**	**373.76**	**35,52,046**	**3,906.28**	**4,36,778**	**359.09**

Prepayments amounting to Eur 3,636 (INR 3.25 Lakhs) (2019 : Eur 3510 (INR 2.80 Lakhs) have not been included in the financial assets

Sensitivity analysis

The Company is exposed to the CHF and USD.

The following table details the Company's sensitivity to a 10% increase and decrease in the EUR against the relevant foreign currency. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 10% change in foreign currency rates. A positive number below indicates a decrease in profit where the EUR strengthens 10% against the relevant currency. For a 10% weakening of the EUR against the relevant currency, there would be an equal and opposite impact on the profit, and the balances below would be negative.

	Impact on profit			
	2021		2020	
	EUR	INR Lakhs	EUR	INR Lakhs
CHF	0	0.00	3,38,614	376.99
USD	(285)	(0.25)	440	0.36

Interest Rate risk

The majority of the Company's financial assets and liabilities are non-interest bearing and as a result the Company is mnot subject to significant amounts of risk due to fluctuationsin the prevailing levels of market interest rates.

Equity price risk

Equity price risk is the risk that the fair values of equities decrease as a result of changes in the levels of the equity indices and the value of individual stocks.

The Company invests in unlisted company whose securities may be considered to be illiquid. Such illiquidity may adversely affect the ability of the Company to acquire or dispose of such investment. The investment may be difficult to value and to sell or otherwise liquidate and the risk of investing in such company is much greater than the risk of investing in publicly traded securities. However on account of the inherent uncertainty of valuation the estimated values may differ from the values that would be used had a ready market for the investment existed.

(b) Credit risk

Credit risk arises when a failure by counterparty to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the end of the reporting period.

The Company's credit risk arises principally from financial assets at fair value through other comprehensive income and cash and cash equivalents. The Company's policy is to maintain its cash and bank balance with a reputable banking institution and to monitor the placement of cash and bank balances on an ongoing basis.

10 Financial instruments and associated risks (continued)

(b) Liquidity risk

The maximum exposure to credit risk at the end of the reporting period was:

	2021 EUR	2021 INR Lakhs	2020 EUR	2020 INR Lakhs
Counter parties				
Available-for-sale financial asset	-	-		
Loan Receivable				
Other Receivables				
Financial asset at fair value through other comprehensive income	2	0.00	33,86,138	3,769.88
Cash and cash equivalents	1,50,453	129.20	1,65,908	136.40
Total	**1,50,455**	**129.20**	**35,52,046**	**3,906.28**

Cash and cash equivalents

The bank balance has been assesse to have low credit risk as at 31 March 2019 as it is held with a reputable banking institution

(c) Liquidity risk

Liquidity risk arises when the maturity of assets and liabilities of a company do not match.

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding from an adequate amount of committed credit facilities and the ability to close out market positions.

Management monitors rolling forecasts of the Company's liquidity reserve on the basis of expected cash flows.

The maturity profile of the financial liability is summarised as follows:

		On demand	3 months to 1 year	Total
2021				
Other payable and accruals	EUR	4,32,374	2,851	4,35,225
	INR Lakhs	371.31	2.45	373.76
2020				
Other payable and accruals	EUR	4,32,374	4,404	4,36,054
	INR Lakhs	355.47	3.62	359.09

(d) Compliance risk

Compliance risk arises from a failure or inability to comply with the laws, regulations or codes applicable to the industry. Non-compliance can lead to fines, public reprimands, and enforced suspension of operations or, in extreme cases, withdrawal of authorisation to operate.

(e) Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for the shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

(f) Political,economic and social Risk

Further economic and political developments in Switzerland could adversely affect the liquidity or value,or both,of securities in which the Company has invested.

(g) Fair values

The carrying amounts of available-for-sale financial asset, cash and cash equivalents and other payable and accruals approximate their fair values.

Accounting classifications and fair values- fair value hierarchy

The tables below analyse fair value measurements for financials assets and financial liabilities, by the levels in the fair value hierarchy based on the inputs to valuation techniques.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value gierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is reasonable approximation of fair value.

Financial assets and financial liabilities not carried t fair value but for which fair values are disclosed below:

		Level 1	Level 2	Level 3	Total
2021					
Cash & Cash Equivalents	EURO		1,50,453		1,50,453
	INR Lakhs		129.20		129.20
Total asset	EURO	-	1,50,453	-	1,50,453
	INR Lakhs	-	129.20	-	129.20
Payable to Related Party	EURO			4,32,374	4,32,374
	INR Lakhs			371.31	371.31
Accruals	EURO			2,851	2,851
	INR Lakhs			2.45	2.45
Total	EURO	-	-	4,35,225	4,35,225
	INR Lakhs	-	-	373.76	373.76
2020					
Cash & Cash Equivalents	EURO	-	1,65,908		1,65,908
	INR Lakhs	-	136.40		136.40
Total asset	EURO	-	1,65,908	-	1,65,908
	INR Lakhs	-	136.40	-	136.40
Payable to Related Party	EURO	-	-	4,32,374	4,32,374
	INR Lakhs	-	-	355.47	355.47
Accruals	EURO	-	-	4,404	4,404
	INR Lakhs			3.62	3.62
Total	EURO	-	-	4,36,778	4,36,778
	INR Lakhs	-	-	359.09	359.09

The Company recognises tranfers between levels of fair value hierarchy as of the reporting period during which the transfer has occurred. There have been no transfer between the levels in 2020 (2019: no transfer in either direction).

11 Impact of COVID-19

On 11 March 2020 the World Health Organisation (WHO) declared the COVID-19 outbreak to be a pandemic. This event is a significant event considering the spread of virus all over the world and the situation of lock-down in Mauritius during the month of March 2020 and period subsequentto that . Due the this significant event there could be low to severe direct and indirect effects developing with companies across multiple industries in the world. The company will continue to monitor the impact COVID-19 has on them and reflect the consequences as appropriate in its accounting and reporting.

As at the date of approval of these annual financial statements, the COVID-19 crisis is still unfolding and there will be some uncertainity remaining around the accurate assessment of the full impact of COVID-19 crisis or any prediction regarding the future course of events that would arise due to COVID-19 crisis. The directors have made an assessment of the company's ability to continue as a going concern taking into account the available information about the future including the analyses of the possible impacts in relation to COVID-a9, which is at least, but is not limited to , twelve months from the date of approval of these annual financial statements and confirm that they have not identified events or conditions that may cast significant doubt on the company's ability to continue as a going concern.

12 Going Concern

The financial statements have been prepared on the going concern basis which assumes that the company will continue in operational existance for the forseeable future. The company incurred a loss of EUR 13,776 (INR 11.79 Lakhs) during the year ended 31 March 2021 and as at that date the Company's total liabilities exceeded its total assets by EUR 281,134 (INR 251.54 Lakhs) . The validity of this assumption depends on the continued support of the shareholder.

The directors are of the opinion that this support will be forth coming over the next twelve months and beleive that is is appropriate for the financial statements to be prepared on a going concern basis.

13 Events after reporting period

There have been no material events since the end of the reporting period which would require disclosure or adjustment to the financial statements for the year ended 31 March 2021.

14 Contingent liabilities

At 31 March 2021, there was no contingent liability arising in the ordinary course of business.

15 Holding company

The directors consider Eureka Forbes Limited, a company incorporated in India as the Company's holding company.

EURO FORBES FINANCIAL SERVICES LIMITED
(a wholly owned subsidiary Company of
Eureka Forbes Limited)

Financial Statements
For the Year ended March 31, 2021

INDEPENDENT AUDITOR'S REPORT

To the Members of Euro Forbes Financial Services Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Euro Forbes Financial Services Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account

d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, there is no remuneration paid by the Company to its directors during the year under the provisions of section 197 of the Act

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company does not have any pending litigations that would impact its financial position;

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For BATLIBOI & PUROHIT
Chartered Accountants
ICAI Firm Reg. No.101048W

Paresh Chokshi
Partner
Membership No.033597

Place : Mumbai
Date : May 21, 2021
ICAI UDIN : 21033597AAAADV5057

Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the Financial Statements for the year ended March 31, 2021, we report that:

(i) The Company does not have any Fixed Assets hence paragraph 3(i) of the order is not applicable.

(ii) The Company does not have any inventory hence paragraph 3(ii) of the order is not applicable.

(iii) The Company has not granted loans secured or unsecured to bodies corporate, Firms, Limited Liability Partnerships covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act') Accordingly paragraph 3(iii) of the order is not applicable to the company.

(iv) The Company has not granted any Loans, made Investments, given Guarantees and Security under Section 185 and 186 of the Act. Thus paragraph 3(iv) of the Order is not applicable to the Company.

(v) The Company has not accepted any deposits from the public during the year within the meaning of the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.

(vi) To the best of our knowledge and as explained the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the products of the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, employees' state insurance, duty of excise, service tax, Goods and service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, employees' state insurance, duty of excise, service tax, Goods and service tax, cess and other material statutory dues were in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.

(b) According to information and explanations given to us, there are no dues of provident fund, income tax, sales tax, value added tax, duty of customs, employees' state insurance, duty of excise, service tax, Goods and service tax, cess and other material statutory dues that have not been deposited by the Company on account of disputes:

(viii) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not borrowed any loans from banks, financial institution, Government or debenture holders anytime during the year.

(ix) The Company did not raise any money by way of Initial Public Offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) The company has not paid any remuneration to Managerial Personnel, hence paragraph 3(xi) of the order is not applicable.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the Related Parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS Financial Statements as required by the applicable Accounting Standards.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For BATLIBOI & PUROHIT
Chartered Accountants
ICAI Firm Reg. No.101048W

Paresh Chokshi
Partner
Membership No.033597

Place : Mumbai
Date : May 21, 2021
ICAI UDIN : 21033597AAAADV5057

Annexure - B to the Auditors' Report

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

We have audited the Internal Financial Controls over financial reporting of Euro Forbes Financial Services Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining Internal Financial Controls based on the Internal Control over Financial Reporting criteria established by the Company considering the essential components of Internal Control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's Internal Financial Controls over Financial Reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an Audit of Internal Financial Controls, both applicable to an Audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain Reasonable Assurance about whether adequate Internal Financial Controls over Financial Reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls system over Financial Reporting and their operating effectiveness. Our audit of Internal Financial Controls over Financial Reporting included obtaining an understanding of Internal Financial Controls over Financial Reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of Internal Control based on the assessed risk. The procedures selected depend on the Auditor's Judgment, including the assessment of the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's Internal Financial Controls system over Financial Reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's Internal Financial Control over Financial Reporting is a process designed to provide reasonable assurance regarding the reliability of Financial Reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted Accounting Principles. A company's Internal Financial Control over Financial Reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For BATLIBOI & PUROHIT
Chartered Accountants
ICAI Firm Reg. No.101048W

Paresh Chokshi
Partner
Membership No.033597

Place : Mumbai
Date : May 21, 2021
ICAI UDIN : 21033597AAAADV5057

Euro Forbes Financial Services Limited

Balance Sheet as at March 31, 2021

			Notes	As at March 31, 2021 ₹	₹	As at March 31, 2020 ₹	₹
		ASSETS					
		Non-current Assets					
(a)		Property, plant and equipment			-		-
(b)		Capital work-in-progress					
(c)		Intangible assets					
(d)		Financial assets					
	(i)	Investments		-		-	
	(ii)	Trade receivables		-		-	
	(iii)	Loans		-		-	
	(iv)	Other financial assets		-	-	-	-
(e)		Tax assets					
	(i)	Deferred Tax Asset (Net)		-		-	
	(ii)	Current Tax Asset (Net)		-	-	-	-
(f)		Other non-current assets			-		-
		Total Non-current Assets			-		-
		Current Assets					
(a)		Inventories			-		-
(b)		Financial assets					
	(i)	Investments		-		-	
	(ii)	Trade receivables		-		-	
	(iii)	Cash and cash equivalents	3	2,03,700		2,28,021	
	(iv)	Bank balances other than (iii) above		-		-	
	(v)	Loans		-		-	
	(vi)	Other financial assets		-	2,03,700	-	2,28,021
(c)		Income Tax Asset (Net)			-		-
(d)		Other current assets			-		-
					2,03,700		2,28,021
		Total Current Assets			2,03,700		2,28,021
		Total Assets			2,03,700		2,28,021

Euro Forbes Financial Services Limited

Balance Sheet as at March 31, 2021

		Notes	As at March 31, 2021 ₹	₹	As at March 31, 2020 ₹	₹
	EQUITY AND LIABILITIES					
	Equity					
(a)	Equity share capital	4	5,00,000		5,00,000	
(b)	Other Equity	5	(3,08,100)		(2,83,779)	
	Equity attributable to owners of the Company			1,91,900		2,16,221
	Total Equity			1,91,900		2,16,221
	Liabilities					
	Non-current Liabilities					
(a)	Financial Liabilities					
(i)	Borrowings		-		-	
(ii)	Trade and other payables		-		-	
(iii)	Other financial liabilities		-	-	-	-
(b)	Provisions			-		-
(c)	Deferred tax liabilities (Net)			-		-
(d)	Other non-current liabilities			-		-
	Total Non-current Liabilities			-		-
	Current liabilities					
(a)	Financial liabilities		-		-	
(i)	Borrowings		-		-	
(ii)	Trade and other payables		-		-	
(iii)	Other financial liabilities	6	11,800	11,800	11,800	11,800
(b)	Provisions			-		-
(c)	Current tax liabilities (Net)			-		-
(d)	Other current liabilities			-		-
	Total Current Liabilities			11,800		11,800
	Total Liabilities			11,800		11,800
	Total Equity and Liabilities			2,03,700		2,28,021

As per our report attached
For BATLIBOI & PUROHIT
Chartered Accountants
Firm Regn No. 101048W

Marzin R Shroff — Director
(Din: 00642613)

Paresh Chokshi
Partner
Membership No. 033597

R S Moorthy — Director
(Din: 02706251)

Mumbai , Dated : May 21, 2021

Mumbai , Dated : May 21, 2021

Euro Forbes Financial Services Limited

Statement of Profit and Loss for the year ended March 31, 2021

		Notes	Year 2020-21 ₹	Year 2019-20 ₹
I	**Income**			
	Revenue from Operations		-	-
	Other income	7	-	-
	Total Income		-	-
II	**Expenses**			
	Employee benefits expense		-	-
	Depreciation and amortisation expense		-	-
	Other expenses	8	24,321	25,129
	Total expenses		24,321	25,129
III	**Profit / (loss) before exceptional items and tax**		(24,321)	(25,129)
	Add/ (Less) : Exceptional items			
IV	**Profit / Loss before tax**		(24,321)	(25,129)
	Less: Tax expense			
(1)	Current tax		-	-
(2)	Deferred tax charge / (credit)		-	-
			-	-
V	**Profit / Loss for the year**		(24,321)	(25,129)
VI	**Other Comprehensive Income**			
A	Items that will not be reclassified to profit or loss		-	-
B	Items that may be reclassified to profit or loss		-	-
	Total other comprehensive income (A + B)		-	-
	Total comprehensive income for the year (V+VI)		(24,321)	(25,129)
	Profit for the year attributable to:			
	- Owners of the Company		(24,321)	(25,129)
			(24,321)	(25,129)
	Other comprehensive income for the year attributable to:			
	- Owners of the Company		-	-
			-	-
	Total comprehensive income for the year attributable to:			
	- Owners of the Company		(24,321)	(25,129)
			(24,321)	(25,129)
	Earnings per equity share	9		
	(1) Basic (in Rs.)		(0.49)	(0.50)
	(2) Diluted (in Rs.)		(0.49)	(0.50)

As per our report attached
For BATLIBOI & PUROHIT
Chartered Accountants
Firm Regn No. 101048W

Marzin R Shroff — Director
(Din: 00642613)

Paresh Chokshi
Partner
Membership No. 033597

R S Moorthy — Director
(Din: 02706251)

Mumbai , Dated : May 21, 2021

Mumbai , Dated : May 21, 2021

Euro Forbes Financial Services Limited

Cash Flow Statement for the year ended March 31, 2021

	Year ended March 31, 2021 ₹	Year ended March 31, 2020 ₹
Cash flows from operating activities		
Loss for the year	(24,321)	(25,129)
Adjustments for:		
	(24,321)	(25,129)
Movements in working capital:		
Increase/ (Decrease) in Other Financial Liabilities	-	11,800
Cash generated from operations	(24,321)	(13,329)
Less : Income taxes paid	-	-
Net cash generated by operating activities	(24,321)	(13,329)
Cash flows from investing activities	-	-
Cash flows from financing activities	-	-
Net Increase / (Decrease) in cash and cash equivalents	(24,321)	(13,329)
Cash and cash equivalents at the beginning of the year	2,28,021	2,53,150
Cash and cash equivalents at the end of the year	2,03,700	2,28,021
Net Increase / (Decrease) in cash and cash equivalents as disclosed above	(24,321)	(25,129)

Per our report attached	Marzin R Shroff	Director
For BATLIBOI & PUROHIT		*(Din: 00642613)*
Chartered Accountants		
Firm Regn No. 101048W		
Paresh Chokshi	R S Moorthy	Director
Partner		*(Din: 02706251)*
Membership No. 033597		
Mumbai , Dated : May 21, 2021	Mumbai , Dated : May 21, 2021	

Euro Forbes Financial Services Limited

Statement of changes in equity for the year ended March 31, 2021

a. Equity share capital	Amount
Balance at April 1, 2019	5,00,000
Changes in equity share capital during the year	-
Balance at March 31, 2020	5,00,000
Changes in equity share capital during the year	-
Balance at March 31, 2021	5,00,000

B. Other Equity

	Attributable to owners of the Company	
	Reserves and surplus	
	Retained earnings	Total
	₹	₹
Balance as at April 1, 2019	(2,58,650)	(2,58,650)
Profit / (loss) for the year ended March 31, 2020	(25,129)	(25,129)
Total comprehensive income for the year	(25,129)	(25,129)
Balance as at March 31, 2020	(2,83,779)	(2,83,779)
Profit / (loss) for the Year ended March 31, 2021	(24,321)	(24,321)
Total comprehensive income for the year	(24,321)	(24,321)
Transfer to retained earnings	-	-
Balance as at March 31, 2021	(3,08,100)	(3,08,100)

Per our report attached
For BATLIBOI & PUROHIT
Chartered Accountants
Firm Regn No. 101048W

Marzin R Shroff — Director
(Din: 00642613)

Paresh Chokshi
Partner
Membership No. 033597

R S Moorthy — Director
(Din: 02706251)

Mumbai , Dated : May 21, 2021

Mumbai , Dated : May 21, 2021

Euro Forbes Financial Services Limited

Notes to the financial statements for the year ended March 31, 2021

Note 1: Basis of preparation of Financial statements

(a) Compliance with Indian Accounting Standards (Ind AS)

Theses financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act 2013 (the Act) [Companies (Indian Accounting Standards) Rules ,2015] and other relevant provisions of the Act.

(b) Use of estimates and judgements

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates

Note 2: SIGNIFICANT ACCOUNTING POLICIES

(a) Revenue Recognition

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, discounts, VAT /GST, credit notes issued for various schemes and volume rebates. Revenue is recognise when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing effective control over, or managerial involvement with the goods, and the amount of revenue can be measured reliably.

Income from services are recognised once the services are rendered.

(b) Taxation

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

Current Tax

Current tax is measured on the basis of estimated income and tax credits computed in accordance with the provisions of the Income Tax Act,1961

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

Deferred Tax

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

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

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

Deferred income taxes are not provided on undistributed earnings of subsidiaries and joint ventures where it is expected that the earnings of the subsidiary and joint ventures will not be distributed in the forseeable future.

(c) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity share holders by the weighted average number of equity shares outstanding during the period.

(d) Cash and cash equivalent

For the purpose of presentation in the statement of cash flow, cash and cash equivalents including cash on hand, deposits held at call with financial institutions, other short tem, highly liquid investment 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.

(e) Functional and presentation currency

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

(f) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Contingent Liabilities are not recognised in the financial statements but are disclosed in the notes.

(g) Financial Instruments

Trade receivables are initially recognised at cost when they are originated and subsequently measured less provision for impairment . All Other financial assets and liabilities are initially recognised when the company becomes a party to the contractual provisions of the instruments

(h) Derecognition

Financial Assets

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

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

Financial Liabilities

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

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

Offsetting

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

3. Cash and cash equivalents

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

Particulars	As at March 31, 2021	As at March 31, 2020
	₹	₹
Balances with Banks in current accounts	2,03,700	2,28,021
Cheques, drafts on hand	-	-
Cash on hand	-	-
Total Cash & Cash Equivalents	2,03,700	2,28,021

Euro Forbes Financial Services Limited

Notes to the financial statements as of March 31, 2021 - continued

4. Equity Share Capital

Particulars	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Equity share capital	5,00,000	5,00,000
Total	5,00,000	5,00,000
Authorised Share capital :		
50,00 fully paid equity shares of Rs.10 each	5,00,000	5,00,000
Issued and subscribed capital comprises:		
50,00 fully paid equity shares of Rs.10 each	5,00,000	5,00,000
	5,00,000	5,00,000

4.1 Fully paid equity shares

Particulars	Number of shares	Share capital ₹
Balance at April 1, 2019	50,000	5,00,000
Add: Issued during the year	-	-
Less: Bought back during the year	-	-
Balance at March 31, 2020	50,000	5,00,000
Add: Issued during the year	-	-
Less: Bought back during the year	-	-
Balance at March 31, 2021	50,000	5,00,000

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

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

Particulars	Fully paid ordinary shares As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year - Held by Eureka Forbes Limited	50,000	50,000
Total as at the end of the year	50,000	50,000

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of shares held	% holding in the class of shares	Number of shares held	% holding in the class of shares
Fully paid equity shares				
Eureka Forbes Limited	50,000	100%	50,000	100%
Total	50,000	100%	50,000	100%

5. Other equity

Particulars	As at March 31, 2021 ₹	As at March 31, 2020 ₹
General reserve		
Balance at beginning of the year	-	-
Balance at end of the year	-	-
Retained earnings		
Balance at beginning of year	(2,83,779)	(2,58,650)
Add/ (less): Profit/ (loss) for the year	(24,321)	(25,129)
Other comprehensive income arising from re-measurement of defined benefit obligation, net of tax	-	-
Balance at end of the year	(3,08,100)	(2,83,779)
Total	(3,08,100)	(2,83,779)

6. Other financial liabilities

Particulars	Non Current As at March 31, 2021 ₹	Non Current As at March 31, 2020 ₹	Current As at March 31, 2021 ₹	Current As at March 31, 2020 ₹
Provision for Expenses	-	-	11,800	11,800
Total	-	-	11,800	11,800

7. Other Income

Particulars	Year ended March 31, 2021 ₹	Year ended March 31, 2020 ₹
Other Income	-	-
Total	-	-

8. Other expenses

Particulars	Year ended March 31, 2021 ₹	Year ended March 31, 2020 ₹
Payment to Auditors (Refer details Below)	18,172	18,172
Professional Fees	5,500	6,308
Other Establishment Expenses	649	649
Total	24,321	25,129

Payments to auditors	Year ended March 31, 2021 ₹	Year ended March 31, 2020 ₹
As auditor		
Audit fee	11,800	11,800
Tax audit fee	-	-
In other capacity		
For other services	6,372	6,372
For reimbursement of expenses		
	18,172	18,172

9. Earnings per share

The calculations of profit attributable to equity shareholders and weighted average number of equity shares outstanding for purposes of basic and diluted earnings per share calculation are as follows:

Particulars	Year ended March 31, 2021 ₹	Year ended March 31, 2020 ₹
Profit / Loss for the year attributable to equity share holders	(24,321)	(25,129)
Face value per equity shares	10	10
Weighted average number of equity shares used in the calculation of basic and diluted earnings per share (Nos.)	50,000	50,000
Basic and diluted earnings per share	(0.49)	(0.50)

10 The Company has not yet started commercial operations and hence there are no employees in the Company.

11 There are no contingent Liabilities at the end of March 31, 2021.

12 The Board of Directors of Euro Forbes Financial Service Ltd at their Board Meeting held on September 08, 2020, have inter alia, approved the Composite Scheme of Arrangement (“the scheme”) under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder.

The Scheme, inter alia, provides for amalgamation and vesting of Euro Forbes Financial Services Limited, presently wholly owned subsidiary of Eureka Forbes Limited (EFL) , with and into the EFL and amalgamation and vesting of the EFL with and into Forbes and Company Limited (“FCL). Further, upon the above part of the scheme becoming effective, Demerger and vesting of Demerged Undertaking (Health, Hygiene, Safety Products and Services Undertaking, as defined in the scheme) of the FCL into Forbes Enviro Solutions Limited (“FESL”) (presently wholly owned subsidiary of Eureka Forbes Limited), on a going concern basis. Upon the entire scheme becoming effective, the name of FESL shall be changed to Eureka Forbes Limited.

The Forbes and Company Ltd has filed an application seeking sanction of the scheme, with the regulatory authorities, with the appointed date of April 01, 2020. The above scheme shall be effective post receipt of all the required approvals.

Per our report attached For BATLIBOI & PUROHIT *Chartered Accountants* Firm Regn No. 101048W	Marzin R Shroff	*Director* *(Din: 00642613)*
Paresh Chokshi Partner Membership No. 033597	R S Moorthy	*Director* *(Din: 02706251)*
Mumbai , Dated : May 21, 2021	Mumbai , Dated : May 21, 2021	

EURO FORBES LIMITED
(a wholly owned subsidiary Company of
Eureka Forbes Limited)

Financial Statements
For the Year ended December 31, 2020

EURO FORBES LIMITED

Directors' Report

The Directors submit their report, together with the audited financial statements, for the year ended 31 December 2020

Results and Appropriations

The results of the company and the appropriations made for the year ended 31 December 2020 are set out on pages 5 and 6 of the financial statements.

In our opinion, the financial statements set out in pages 4 to 16 are drawn up so as to give a true and fair view of the financial position of the company as at 31st December 2020, the financial performance, changes in equity and cash flows for the company for the year then ended in accordance with international Financial Reporting Standards and applicable provisions of Jebal Ali Free Zone Authority Offshore Companies Regulations.

As at the date of the statement, there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

Review of Business

The Companiy's main activity remain the same as investments holding during the year.

Shareholder and its Interest

The Shareholder at 31 December 2020 and its interest as at that date in the share capital of the company was as under :

	No.Of.Shares	*USD*
Eureka Forbes Limited , India	357,765	51,307,145

Directors

The Directors who served during the year were as follows :

Rajagopalan Sambamoorthy
Sunil Dhondiram Uphale

Auditor

A resolution to re-appoint the auditor and fix the remuneration will be put to the board at the annual general meeting

On Behalf of the Board
Signed By :
Sunil Dhondiram Uphale
Director

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF EURO FORBES LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of EURO FORBES LIMITED (the "company"), which comprise the statement of financial position as at 31 December 2020, and the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly in all material respects, the financial position of EURO FORBES LIMITED as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (the "IESBA code") together with the ethical requirements that are relevant to our audit of the financial statements in the United Arab Emirates and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

Emphasis of Matter

Without qualifying our opinion, we draw attention to the following notes to the financial statements Note 2 which states that the financial statements contain information about the company as an individual company and do not contain consolidated financial information as a parent of the group

Responsibilities of Management and Those Charged with Governance for the financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRSs and implementing rules and regulations issued by the Jebel Ali Free Zone Authority, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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

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

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.

Report on Other Legal and Regulatory Requirements

Also, in our opinion, the company has maintained proper books of account and the information contained in the directors' report relating to these financial statements, except for the matter stated in the emphasis of matter section of our report, is in agreement with the books of accounts. According tho the information available to us there are no violations of the Jebel Ali Free Zone Aurhority Offshore Companies Regulations 2018 or the Articles of Association have occurred during the year, which would have had a material effect on the business of the company or on its financial

Signed By :
C.D.Shah
Partner
Registration No.677
Shah & Alshamali Associates Chartered Accountants
18th April 2021
Dubai

EURO FORBES LIMITED

Statement of Financial Position
31-Dec-20

ASSETS	**Notes**	**2020 US $**	**2020 INR Lakhs**	**2019 US $**	**2019 INR Lakhs**
Non-current assets					
Investments	5	15,37,832	978.65	15,37,832	978.65
Loan to a related party	6	14,15,278	1,028.16	2,51,424	179.02
		29,53,110	**2,006.81**	**17,89,256**	**1,157.67**
Current asset					
Loan to a subsidiary	6	-	-	-	-
Other receivable		17	0.01		
Cash and cash equivalents	7	38,954	28.42	2,10,401	149.81
		38,971	**28.43**	**2,10,401**	**149.81**
Total assets		**29,92,081**	**2,035.24**	**19,99,657**	**1,307.48**
EQUITY AND LIABILITIES					
Shareholder's funds					
Capital and reserves					
Share capital	8	5,13,07,145	34,732.26	5,13,07,145	34,732.26
Accumulated losses		(4,93,25,499)	-33,173.59	(4,93,13,206)	-33,164.48
Foreign Currency Translation Reserve			-243.18		-264.37
Shareholder's equity funds		**19,81,646**	**1,315.49**	**19,93,939**	**1,303.41**
Loan account	9				
Total shareholder's funds		**19,81,646**	**1,315.49**	**19,93,939**	**1,303.41**
Non-current liabilities					
Term loan	10	-	-		
Loan from a Subsidiary Company	11	9,94,431	708.07		
		9,94,431	**708.07**	**0**	**-**
Current liabilities					
Term loan	10	-	-	-	-
Loan from a related party	11	-	-	-	-
Accruals		16,004	11.68	5,718	4.07
		16,004	**11.68**	**5,718**	**4.07**
Total liabilities		**10,10,435**	**719.75**	**5,718**	**4.07**
Total equity and liabilities		**29,92,081**	**2,035.24**	**19,99,657**	**1,307.48**

EURO FORBES LIMITED

Statement of Profit or Loss and Other Comprehensive Income
for the year ended 31 December 2020

	Notes	2020 US $	2020 INR Lakhs	2019 US $	2019 INR Lakhs
Revenue					
Interest income	13	63,907	47.37	1,94,196	135.83
Gain on sale of investment		17	0.01		
Total revenue		**63,924**	**47.38**	**1,94,196**	**135.83**
Expenditure					
Provision for impairment	5	-	-	(1,39,82,930)	-9,780.50
Finance charges	12 & 13	(45,645)	-33.83	(1,00,838)	-70.53
Administrative expenses		(29,605)	-21.94	(22,290)	-15.59
Exchange Loss		(967)	-0.72	(1,57,256)	-109.99
Total expenditure		**(76,217)**	**-56.49**	**(1,42,63,314)**	**-9,976.61**
Loss for the year		**(12,293)**	**-9.11**	**(1,40,69,118)**	**-9,840.78**
Other comprehensive income / (loss)		**-**	**-**	**-**	**-**
Total comprehensive loss for the year		**(12,293)**	**-9.11**	**(1,40,69,118)**	**-9,840.78**

EURO FORBES LIMITED

Statement of Changes in Equity
for the year ended 31 December 2020

	Share Capital		Accumulated Loss		Total		FCTR	Total
	US $	INR Lakhs	US $	INR Lakhs	US $	INR Lakhs	INR Lakhs	INR Lakhs
As at 31 December 2018	**2,76,96,526**	**18,418.67**	**(3,52,44,088)**	**-23,323.70**	**(75,47,562)**	**-4,905.03**	**-335.96**	**-5,240.99**
Contributed During the Year	2,36,10,619	16,313.59			2,36,10,619	16,313.59		16,313.59
Loss for the year			(1,40,69,118)	-9,840.78	**(1,40,69,118)**	-9,840.78	71.59	-9,769.19
As at 31 December 2019	**5,13,07,145**	**34,732.26**	**(4,93,13,206)**	**-33,164.48**	**19,93,939**	**1,567.78**	**-264.37**	**1,303.41**
Contributed During the Year	-	-	-	-	-	-		-
Loss for the year	-	-	(12,293)	-9.11	**(12,293)**	-9.11	21.19	12.08
As at 31 December 2020	**5,13,07,145**	**34,732.26**	**(4,93,25,499)**	**-33,173.59**	**19,81,646**	**1,558.67**	**-243.18**	**1,315.49**

EURO FORBES LIMITED

Statement of Cash Flows
for the year ended 31 December 2020

	Note	2020 USD	2020 INR Lakhs	2019 USD	2019 INR Lakhs
Cash Flow from Operating Activities					
Loss for the year		(12,293)	-9.11	(1,40,69,118)	-9,840.78
Adjustments for:					
Provision for Impairment		-	-	1,39,82,930	9,780.50
Interest Income		(63,907)	-47.37	(1,94,196)	-135.83
Gain on sale of investments		(17)	-0.01		
Finance Charges		45,645	33.83	1,00,838	70.53
Operating loss before working capital changes		**(30,572)**	**-22.66**	**(1,79,546)**	**-125.58**
Increase / (Decrease) in accruals		10,286	7.61	(3,24,759)	-225.41
Net cash from / (used in) operating activities		**(20,286)**	**-15.05**	**(5,04,305)**	**-350.99**
Cash flow from investment activity					
Receipt / (payments of) of loan from / to a subsidiary company		-	-	1,28,00,000	8,867.73
Receipt / (payments of) of loan from / to a related party		-11,00,000	-802.55	(2,50,000)	-178.01
Interest received		53	0.04	13,56,036	964.99
Proceeds / (payment) for investment in subsidiary		-	-	(1,55,20,762)	-10,759.15
Net Cash from / (used in) investing activity		**(10,99,947)**	**-802.51**	**(16,14,726)**	**-1,104.44**
Cash Flow from financing activities					
Payment of Term Loan		-	-	(1,90,00,000)	-13,193.49
Receipts / (payment) of loan from a parent shareholder company		-		-	
Receipts / (payment) of loan from a related party		9,50,000	693.11	(20,19,275)	-1,402.17
Finance Charges paid		(1,214)	-0.90	(5,81,723)	-406.89
Capital contributed by the parent shareholder company		-	-	2,36,10,619	16,313.59
Net Cash introduced from / (used in) financing activities		**9,48,786**	**692.21**	**20,09,621**	**1,311.04**
Effect of Foreign Exchange Translation		-	3.96	-	72.13
Net Increase / (Decrease) in cash and cash equivalents		**(1,71,447)**	**-125.35**	**(1,09,410)**	**-144.39**
Cash and cash equivalents at the beginning of the year		**2,10,401**	**149.81**	**3,19,811**	**222.07**
Cash and cash equivalents at the end of the year	**7**	**38,954**	**28.42**	**2,10,401**	**149.81**
			28.42		149.81

1 Legal status and business activity

EURO FORBES LIMITED (the 'company") is an offshore company with limited liability, incorporated as per the laws of Jebel Ali Free Zone Offshore Companies Regulations 2003 under registration number 145214 with Eureka Forbes Limited as its sole shareholder. The registered office address of the company is P. O. Box 118767, Dubai, U.A.E.

The company is incorporated to carry out general trading and investment holding globally. The company has invested in a subsidiary company and advanced funds to a related party as described in notes 5 and 6.

2 Basis of preparation

These financial statements contain information about the company as an individual company and do not contain consolidated financial information as the parent of a group. The company has availed itself exemption under IFRS 10 "Consolidated Financial Statements" from the requirement to prepare consolidated financial statements as it, and its subsidiary are included by consolidation in the consolidated financial statements of the ultimate parent company.

Statement of Compliance
The financial statements of the company have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and the applicable implementing rules and regulations issued by the Jebel Ali Free Zone Authority.

Basis of measurement
The financial statements have been prepared under the historical cost basis.

Functional and presentation currency
The financial statements have been presented in US Dollars, being the functional and presentation currency of the company.

Use of estimates and judgements

The preparation of the financial statements requires management to make estimates and assumptions that may affect the reported amount of financial assets and liabilities, revenue, expenses, disclosure of contingent liabilities and the resultant provisions and fair values. Such estimates are necessarily based on assumptions about the several factors and actual results may differ from reported amounts.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are discussed in note 4.

Adoption of new and revised International Financial Reporting Standards (IFRS)

The company has applied all applicable accounting standards and amendments which are effective for annual periods beginning on or after 1 January 2020. The company has not early adopted any other standard, interpretation or amendment that has been issued but not yet effective.

3. Summary of significant accounting policies

The accounting policies applied which are consistent with those of the previous year, in dealing with items that are considered material in relation to the financial statements are as follows:

Investment in subsidiaries and associates

A subsidiary is an entity that is controlled by the company. The company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Investments in subsidiaries are measured initially at cost and subsequently carried in the company's separate financial statements at cost less any accumulated impairment losses. Associates are entities in which the company has significant influence and which are neither subsidiary nor joint venture.

Investment in subsidiaries and associates are accounted for at cost less provision for impairment in value of the investments, if any. Dividend income is recognized in the statement of profit or loss and other comprehensive income when dividend is declared by the subsidiaries and associates out of the profits made subsequent to the date of acquisition.

Financial instruments

Financial assets and financial liabilities are recognized when, and only when, the company becomes a party to the contractual provisions of the instrument. Financial assets are de-recognized when, and only when, the contractual rights to receive cash flows expire or when substantially all the risks and rewards of ownership have been transferred. Financial liabilities are de-recognized when, and only when, they are extinguished, cancelled or expired.

Financial assets

The company's financial assets comprise financial assets at amortized cost, comprising loan to a related party, loan to a subsidiary and interest receivable and cash and cash equivalents.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period which are classified as non-current assets.

Loans and receivables are initially measured at fair value and subsequently carried at amortized cost using effective interest method. The company assesses at the end of each reporting date whether there is objective evidence that the financial assets are impaired.

Cash and cash equivalents
Cash and cash equivalents comprise bank current accounts that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

Financial liabilities

The company's financial liabilities comprise term loan, loan from a related party and accruals.

Loans and borrowings
Loans and borrowings are initially recognized at fair value net of directly attributable transaction costs. Interest-bearing loans and borrowings are subsequently measured at amortized cost using effective interest method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate amortization process.

Accruals
Liabilities are recognized for amounts to be paid in future for goods or services received, whether invoiced or not by the supplier.

Impairment of financial assets

All financial assets, except for those at fair value through profit or loss, are assessed for indicators of impairment at each reporting date. Impairment losses and reversals thereof are recognized in the statement of profit or loss and other comprehensive income.

Provisions

Provisions are recognized when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and the amount can be reliably estimated. Provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate. If it is no longer probable than an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

Contingencies

Contingent liabilities are not recognized in the financial statements. They are disclosed unless possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

Revenue Recognition

Revenue is recognized to the extent that it is possible that the economic benefits will flow to the company and the revenue can be reliably measured.

Interest income
Revenue from interest income is recognized on accrual basis using the effective interest method.

Foreign currency transactions

Transactions in currencies other than US Dollars are converted into US Dollars at the rate of exchange ruling on the date of the transaction.Assets and liabilities expressed in currencies other than US Dollars are translated into US Dollars at the rate of exchange ruling at the date of statement of financial position.Resulting gain or loss is taken to the statement of profit or loss and other comprehensive income.

4. Significant accounting judgment employed in applying accounting policies and key sources of estimation uncertainties

4.1 Significant judgment employed

The significant judgment made in applying accounting policies that has the most significant effect on the amounts recognized in the financial statements pertains to impairment.At each reporting date, management conducts an assessment of investments and all financial assets to determine whether there are any indications that they may be impaired.

In the absence of any such indications, no further action is taken. If such indications do exist, an analyses of each asset is undertaken to determine its net recoverable amount and if this is below its carrying amount a provision is made

4.2 Key sources of estimation uncertainty

Key assumptions made concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are as follows:

Impairment of Loans and receivables

The loss allowance for financial assets are based on assumptions about risk of default and expected credit loss rates. The company uses judgment 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. Any difference between the amounts actually collected in the future period and the amounts expected, will be recognized in the company's statement of profit or loss in that period.

Notes to the Financial Statements
for the year ended 31 December 2020

5.Investments
Investment in a subsidiary (A)

	Country of Incorporation	% of Ownership	2020 US $	2020 INR Lakhs	2019 US $	2019 INR Lakhs
Forbes Lux FZCO *						
1,629 shares of AED 100,000 each (USD 27,248 each)	U. A. E.	99.82	4,43,78,853	30,129.10	4,43,78,853	30,129.10
Provision for impairment #			(4,28,41,021)	-29,150.45	(4,28,41,021)	-29,150.45
			15,37,832	**978.65**	**15,37,832**	**978.65**

Investment in an overseas company (B)

			2020 US $	2020 INR Lakhs	2019 US $	2019 INR Lakhs
Econopure Water Systems LLC ~	USA		2,50,000	1,61,49,388	2,50,000	1,61,49,388
Provision for impairment		-	(2,50,000)	(1,61,49,388)	(2,50,000)	(1,61,49,388)
			-	-	-	-
Investment in an associate (C)						
Euro P2P Direct Thailand Co. Ltd. (@)	Thailand	49	-	-	-	-
			15,37,832	**978.65**	**15,37,832.00**	**979**
Total Investments			**15,37,832**	**978.65**	**15,37,832**	**978.65**
Share of net book value as at 31 December 2020						
Forbes Lux FZCO			24,68,118		56,35,589	4,012.71
Euro P2P Direct Thailand Co. Ltd.			-	-	-	-
			24,68,118	**-**	**56,35,589**	**4,012.71**

* The principal activity of Forbes Lux FZCO is trading and distribution of water purifiers, filters and purifications devices, electrical and electronics appliances and related items and spare parts manufactured by an overseas related party and sourced from external/ third party vendors.

~ This represents investment in series C preferred units in Econopure Water Systems LLC, USA. Econopure Water Systems LLC is a water technology company that, amongst other technologies, designs and sells residential, commercial and industrial membrane systems designed to mitigate the effects of membrane fouling. The shares have been bought back by the Econopure Water Systems LLC, USA on 30th December 2019. The legal formalities for the same have been completed during the year

@ During the year 2015, the company acquired 49% stake in Euro P2P Direct Thailand Co. Ltd., an overseas company held by the related party of ultimate parent company at nil value.

Although, the subsidiary company has incurred significant losses over the past few years and its equity has significantly diluted as of 31 December 2020, in the opinion of the management, the provision carried in the accounts is considered adequate.

EURO FORBES LIMITED

Notes to the Financial Statements
for the year ended 31 December 2020

6.Loan to a related party

This represents unsecured and 5% interest bearing, medium term funding loan together with interest accrued thereon advanced to Forbes Lux International AG, a fellow subsidiary company to meet with its working capital requirements, repayable within 3 years or such other time as may be mutually agreed between the parties. This loan is secured against undertaking from the parent shareholder company, Eureka Forbes Limited, for the financial support and repayment of the loan and accrued interest thereon.

Movements in the loan to a related party and interest receivable accounts were as follows:

	2020	**2020**	**2019**	**1019**
	US $	**INR Lakhs**	**US $**	**INR Lakhs**
Loan to related party				
Opening balance	2,51,424	179.02		-
Funds advanced/(withdrawn) - net	11,00,000	802.55	2,50,000	178.01
Interest Charged for the year	63,854	46.59	1,424	1.01
Closing balance	**14,15,278**	**1,028.16**	**2,51,424.00**	**179.02**

7.Loan to a subsidiary

This represents unsecured and 6% - 7.5% interest bearing loan together with interest accrued thereon advanced to Forbes Lux FZCO, a subsidiary company to meet with its investments, working capital and general corporate requirements. The loan is fully recovered during the previous year.

Movements in the loan to a subsidiary and interest receivable accounts were as follows:

	2020	**2020**	**2019**	**2019**
	US $	**INR Lakhs**	**US $**	**INR Lakhs**
Loan to a subsidiary				
Opening balance			1,39,63,264	9,457.26
Funds advanced/(withdrawn) - net			(1,28,00,000)	-8,867.73
Interest Charged for the year			1,92,000	136.71
Interest received during the year			(13,55,264)	-964.99
Closing balance	**-**	**-**	**-**	**-238.75**

8. Other receivable

This represents amount receivable on sale of shares of Econopure Water Systems LLC.

9.Cash and cash equivalents

This represents balance in current accounts with a bank.

10.Share capital

	2020	**2020**	**2019**	**2019**
Authorized capital	**US $**	**INR Lakhs**	**US $**	**INR Lakhs**
361,000 shares of nominal value of AED 1,000 each	9,83,65,123		9,83,65,123	
Issued and paid-up capital				
357,765 shares of nominal value of AED 1,000 each ! # * @	5,13,07,145	34,732.26	5,13,07,145	34,732.26

! Includes 41,615 shares issued at AED 1,000 each
Includes 188,500 shares issued at discounted value of AED 460 each
* Includes 74,000 shares issued at discounted value of AED 475 each
@ Includes 53,650 shares issued at discounted value of AED 465 each

Notes to the Financial Statements
for the year ended 31 December 2020

11. Loan from a subsidiary

This represents unsecured, 5 % p.a. interest bearing loan and accrued interest there on Forbes Lux FZCO a subsidiary company to meet with the investments, working capital and general corporate requirements, repayable after 3 years from the date of disbursement of the working capital finance based on the business exigencies of the Company. The companyhas utilized the funds to advance fundsto an overseas related party.

	2019 USD	2019 INR Lakhs	2018 USD	2018 INR Lakhs
Loan to a subsidiary				
Opening Balance	-	-	-	-
Receipt of Loan	9,50,000	693.11		
Closing Balance	9,50,000	693.11	-	-
Interest payable				
Opening Balance	-	-		
Charge for the year	44,431	32.42		
Closing Balance	44,431	32.42	-	-
	9,94,431	725.53	-	-

12.Term loan

This represents term loan availed from a bank for business expansion of the company's subsidiary in the year 2014. The loan amount is secured against the corporate guarantee of the parent shareholder company, carries interest rate of LIBOR plus 385 bps per annum.

Movement in this account is as follows -

	2019 USD	2019 INR Lakhs	2018 USD	2018 INR Lakhs
Opening Balance	-	-	1,90,00,000	13,528.63
Payment of Loan	-	-	-1,90,00,000	-13,528.63
Closing Balance	-	-	-	-

13.Loan from a related party

This represents unsecured, 4.5% p.a. (previous year 12.5% p.a.) interest bearing loan from Forbes Lux International AG, fellow subsidiary company, to meet with the working capital requirement.

Movements in the loan from a related party and interest payable accounts were as follows:

	2020 USD	2020 INR Lakhs	2019 USD	2019 INR Lakhs
Loan from a related party				
Opening Balance	-	-	20,19,275	1,437.79
Payment of Loan	-	-	-20,19,275	-1,437.79
Closing Balance	-	-	-	-
Interest Payable				
Opening Balance	-	-	4,80,885	342.41
charge for the year		-	23,025	16.11
Payment during the year	-	-	-5,03,910	-358.52
Closing Balance	-	-	-	-
Total Loan and Interest	-	-	-	-

14.Finance charges

	2020 USD	2020 INR Lakhs	2019 USD	2019 INR Lakhs
Interest on shareholder's loan	-	-		-
Interest on loan from related parties	44,431	32.93	23,025	16.11
Interest on term loan	0	-	76,721	53.66
Bank charges	1,214	0.90	1,092	0.76
	45,645	**33.83**	**1,00,838**	**70.53**

Notes to the Financial Statements
for the year ended 31 December 2020

15.Related party transactions and balances

The company in the normal course of business enters into transactions with other business enterprises that fall within the definition of related party as contained in the International Accounting Standard - 24.

Related parties are the parent shareholder company, subsidiary company, associate company, fellow subsidiary company and directors as under:

Eureka Forbes Limited, India	Parent shareholder company
Forbes Lux FZCO, Dubai, UAE	Subsidiary
Euro P2P Direct Thailand Co. Ltd., Thailand	Associate
Forbes Lux International AG, Switzerland	Fellow subsidiary
Rajagopalan Sambamoorthy	Director
Sunil Dhondiram Uphale	Director

As at the date of statement of financial position, balances and significant transactions during the year with related parties were as follows:

		Parent Shareholder Company		**Subsidiary**		**Fellow Subsidiary**		**Total**	
		USD Dr/(Cr)	**INR Lakhs Dr/(Cr)**	**USD Dr/(Cr)**	**INR Lakhs Dr/(Cr)**	**USD Dr/(Cr)**	**INR Lakhs Dr/(Cr)**	**USD Dr/(Cr)**	**INR Lakhs Dr/(Cr)**
Balances:									
Investment in a subsidiary	2020		-	15,37,832	1,121.99		-	15,37,832	1,121.99
	2019	-	-	15,37,832	1,094.99	-	-	15,37,832	1,094.99
Loan to a related party	2020		-		-	14,15,258	1,032.56	14,15,258	1,032.56
	2019		-	-	-	2,50,000	178.01	2,50,000	178.01
Interest receivable from a subsidiary	2020		-		-		-	-	-
	2019		-		-	1,424	1.01	1,424	1.01
Loan from related party	2020		-	(9,94,431)	-725.53		-	(9,94,431)	-725.53
	2019		-		-		-	-	-
Transactions:									
Provision For Impairment	2020		-	-	-	-	-	-	-
	2019		-	1,39,82,930	9,780.50		-	1,39,82,930	9,780.50
Interest income	2020		-		-	(63,854)	-47.33	(63,854)	-47.33
	2019		-	(1,92,000)	-134.30	(1,424)	-1.00	(1,93,424)	-135.30
Finance Charges	2020		-		-		-	-	-
	2019		-		-	23,025	16.11	23,025	16.11

The company also receives and provides interest bearing loans from / to the related parties as and when required to meet their requirements.

16 Financial instruments: Credit, liquidity and market risk exposures

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial assets, which potentially expose the company to concentrations of credit risk, comprise principally loan to a related party, bank balance and interest receivable. The company's bank balance in current accounts are placed with a high credit quality financial institution. Loan to a related party is not considered as a credit risk.

Liquidity risk

Liquidity risk is the risk that the company will not be able to meet financial obligations as they fall due. Ultimate responsibility for liquidity risk management rests with the ultimate parent company, which has injected funds by way of share capital for the management of short, medium and long-term funding and liquidity requirements.

Market risk

Market risk is the risk that changes in market prices, such as interest rate risk and currency risk, will affect the company's income or the value of its holdings of financial instruments.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Loan to a related party and from a subsidiary is at fixed interest rate.

Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Except for the following, there are no significant currency risks as substantially all financial assets and financial liabilities are denominated in US Dollars or U.A.E. Dirhams to which US Dollar rate is pegged

17 Financial instruments: Fair values

The fair values of the company's financial assets, comprising loan to a related party and bank balance, and financial liabilities, comprising accruals, approximate to their carrying values.

18 Capital management

The capital structure of the company comprises net debt (interest bearing borrowings offset by bank balances and cash) and equity of the company comprising share capital and accumulated losses. The parent shareholder company has introduced additional funds in the company in order to maintain capital adequacy.

19 Contingent liabilities and capital commitments

There were no contingent liabilities and capital commitments outstanding as at the date of statement of financial position.

20 Comparative figures

Previous year's figures have been regrouped/ reclassified wherever necessary to conform to the presentation adopted in the current year. Such reclassification do not affect the previously reported profit, net assets or equity of the company.

21 Approval of the financial statements

The financial statements were approved by the Board of Directors and authorized for issue on 18 April 2021 and authorised Mr.Sunil Dhondiram Uphale to sign on behalf of the Board

FORBES AQUATECH LIMITED
(a subsidiary Company of Eureka Forbes Limited)

Financial Statements
For the Year ended March 31, 2021

INDEPENDENT AUDITOR’S REPORT

To the Members of Forbes Aquatech Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Forbes Aquatech Limited (“the Company”), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Information Other than the Financial Statements and Auditor’s Report Thereon

The Company’s Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board’s Report including Annexures to Board’s Report, Business Responsibility Report, Corporate Governance and Shareholder’s Information, but does not include the financial statements and our auditor’s report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account

d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, there is no remuneration paid by the Company to its directors during the year under the provisions of section 197 of the Act

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 31 to the financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For BATLIBOI & PUROHIT
Chartered Accountants
ICAI Firm Reg. No.101048W

Kaushal Mehta
Partner
Membership No.111749
ICAI UDIN : 21111749AAAADQ5411

Place : Mumbai
Date : May 25, 2021

Annexure - A to the Auditors' Report

(referred to in paragraph 1 under 'Report on Other Legal and regulatory requirements' section of our report to the members of the Company of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets.

(b) Fixed Assets have been physically verified by the management during the year and no material discrepancies were identified on such verification

(c) The company does not have ownership of any immovable property.

(ii) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion the frequency of such verification is reasonable. Discrepancies noticed on verification between the physical stocks and book records were not material.

(iii) The Company has not granted loans secured or unsecured to bodies corporate, Firms, Limited Liability Partnerships covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act') Accordingly paragraph 3(iii) of the order is not applicable to the company.

(iv) The Company has not granted any Loans, made Investments, given Guarantees and Security under Section 185 and 186 of the Act. Thus paragraph 3(iv) of the Order is not applicable to the Company.

(v) The Company has not accepted any deposits from the public during the year within the meaning of the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.

(vi) To the best of our knowledge and as explained the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the products of the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, employees' state insurance, duty of excise, service tax, Goods and service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, employees' state insurance, duty of excise, service tax, Goods and service tax, cess and other material statutory dues were in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.

(b) According to information and explanations given to us, the following dues of sales tax / value added tax and duty of excise have not been deposited by the Company on account of disputes #:

Name of the Statute	Nature of Dues	Amount (Rs. In lakhs)	Period to which the amount relates	Forum where dispute is pending
The Uttarakhand VAT Act,2005	Sales Tax	17.97	2008-09	Joint Commissioner of Commercial Tax, Dehradun
Central Excise Act, 1944	Excise Duty	11.75	2007-08 to 2009-10	The Customs Excise and Service Tax Appellate Tribunal (CESTAT)
Central Excise Act, 1944	Excise Duty	108.27	2007-08	Commissioner Excise

As represented by the Management

(viii) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of loans to banks. There were no borrowings from financial institution, Government or debenture holders anytime during the year.

(ix) The Company did not raise any money by way of Initial Public Offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) The company has not paid any remuneration to Managerial Personnel, hence paragraph 3(xi) of the order is not applicable.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the Related Parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS Financial Statements as required by the applicable Accounting Standards.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For BATLIBOI & PUROHIT
Chartered Accountants
ICAI Firm Reg. No.101048W

Kaushal Mehta
Partner
Membership No.111749
ICAI UDIN : 21111749AAAADQ5411

Place : Mumbai
Date : May 25, 2021

Annexure - B to the Auditors' Report

(referred to in paragraph 2 under 'Report on Other Legal and regulatory requirements' section of our report to the members of the Company of even date)

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

We have audited the Internal Financial Controls over financial reporting of Forbes Aquatech Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining Internal Financial Controls based on the Internal Control over Financial Reporting criteria established by the Company considering the essential components of Internal Control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's Internal Financial Controls over Financial Reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an Audit of Internal Financial Controls, both applicable to an Audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain Reasonable Assurance about whether adequate Internal Financial Controls over Financial Reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls system over Financial Reporting and their operating effectiveness. Our audit of Internal Financial Controls over Financial Reporting included obtaining an understanding of Internal Financial Controls over Financial Reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of Internal Control based on the assessed risk. The procedures selected depend on the Auditor's Judgment, including the assessment of the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's Internal Financial Controls system over Financial Reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's Internal Financial Control over Financial Reporting is a process designed to provide reasonable assurance regarding the reliability of Financial Reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted Accounting Principles. A company's Internal Financial Control over Financial Reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For BATLIBOI & PUROHIT
Chartered Accountants
ICAI Firm Reg. No.101048W

Kaushal Mehta
Partner
Membership No.111749
ICAI UDIN : 21111749AAAADQ5411

Place : Mumbai
Date : May 25, 2021

Forbes Aquatech Limited
Balance Sheet as at 31st March, 2021

			Notes	As at March 31, 2021 ₹	₹	As at March 31, 2020 ₹	₹
		Non-current Assets					
(a)		Property, plant and equipment	4		1,76,63,658		2,10,84,572
(b)		Intangible assets	5		850		850
(c)		Rights of Use of Assets	6		33,78,243		71,46,772
(d)		Financial assets					
	(i)	Other financial assets	8	26,56,000	26,56,000	11,56,000	11,56,000
(e)		Tax assets					
	(i)	Deferred Tax Asset (Net)	16	85,06,563		1,12,48,043	
	(ii)	Current Tax Asset (Net)	20	15,23,722	1,00,30,285	14,54,900	1,27,02,943
(f)		Other non-current assets	11		25,87,946		25,87,946
		Total Non-current Assets			**3,63,16,982**		**4,46,79,083**
		Current Assets					
(a)		Inventories	9		2,09,92,479		2,53,06,856
(b)		Financial assets					
	(i)	Trade receivables	7	12,51,92,492		17,03,86,426	
	(ii)	Cash and cash equivalents	10	19,49,825	12,71,42,317	6,06,520	17,09,92,946
(c)		Other current assets	11		8,08,601		5,72,406
					14,89,43,397		19,68,72,208
		Total Current Assets			**14,89,43,397**		**19,68,72,208**
		Total Assets			**18,52,60,379**		**24,15,51,291**
		EQUITY AND LIABILITIES					
		Equity					
(a)		Equity share capital	12	75,00,500		1,00,00,500	
(b)		Other Equity	13	15,00,34,153		18,86,59,901	
		Equity attributable to owners of the Company			15,75,34,653		19,86,60,401
		Total Equity			**15,75,34,653**		**19,86,60,401**
		Liabilities					
		Non-current Liabilities					
(a)		Financial Liabilities					
	(i)	Lease liabilities		3,29,173	3,29,173	37,78,895	37,78,895
(b)		Provisions	15		8,01,053		9,27,393
(c)		Other non-current liabilities	17		3,91,728		10,98,029
		Total Non-current Liabilities			**15,21,954**		**58,04,317**
		Current liabilities					
(a)		Financial liabilities					
	(i)	Borrowings	18	-		64,19,763	
	(ii)	Lease liabilities		37,32,202		37,59,287	
	(iii)	Trade and other payables:					
		- Total outstanding dues of MSME	19	1,58,49,856		1,78,85,267	
		- Total outstanding dues of creditors other than MSME		23,87,611		53,77,524	
	(iv)	Other financial liabilities	14	26,89,525	2,46,59,194	31,26,408	3,65,68,249
(b)		Provisions	15		23,108		29,676
(c)		Current tax liabilities (Net)	20		10,57,965		-
(d)		Other current liabilities	17		4,63,505		4,88,648
					2,62,03,772		3,70,86,573
		Total Current Liabilities			**2,62,03,772**		**3,70,86,573**
		Total Liabilities			**2,77,25,726**		**4,28,90,890**
		Total Equity and Liabilities			**18,52,60,379**		**24,15,51,291**

Significant accounting policies 3

The notes referred to above form an integral part of the financial statements

For Batliboi & Purohit
Chartered Accountants
ICAI Firm Regn No.101048W

For and on behalf of the Board of Directors.

Suresh Redhu
Chairman
DIN: 06607351

Aslam Karmali
Director
DIN: 02291530

Kaushal Mehta
Partner
Membership No. 111749
Place: Mumbai
Date: May 25, 2021

Vikram Surendran
Director
DIN: 07322381

Forbes Aquatech Limited
Statement of Profit and Loss for the year ended 31st March, 2021

			Notes	Year 2020-21 ₹	Year 2019-20 ₹
I		**Income**			
		Revenue from Operations	21	17,39,00,700	28,60,00,111
		Other income and other gains / (losses)	22	86,070	(2,62,923)
		Total Income		**17,39,86,770**	**28,57,37,188**
II		**Expenses**			
		Cost of materials consumed	23.1	11,87,31,831	20,56,12,050
		Purchases of stock-in-trade	23.2	39,04,559	25,44,275
		Changes in inventories of finished goods, stock-in-trade and work-in-progress	23.3	14,440	(1,927)
		Employee benefits expense	24	45,68,846	73,28,393
		Finance costs	25	6,96,442	16,95,226
		Depreciation and amortisation expense	26	55,52,871	59,44,424
		Other expenses	27	1,58,49,992	1,55,73,606
		Total expenses		**14,93,18,981**	**23,86,96,047**
III		**Profit before exceptional items and tax**		**2,46,67,789**	**4,70,41,141**
		Add/ (Less) : Exceptional items		-	-
IV		**Profit before tax**		**2,46,67,789**	**4,70,41,141**
		Less: Tax expense			
	(1)	Current tax		71,35,385	1,33,07,695
	(2)	Deferred tax	28	(2,72,806)	(3,04,689)
	(3)	MAT credit entitlement		-	-
				68,62,579	**1,30,03,006**
V		**Profit for the year**		**1,78,05,210**	**3,40,38,135**
VI		**Other Comprehensive Income**			
A		Items that will not be reclassified to profit or loss			
	(a)	Remeasurements gains/ (Losses) of the defined benefit plans		**(31,917)**	**40,806**
	(b)	Income tax relating to items that will not be reclassified to profit or loss		8,879	(11,352)
				(23,038)	**29,454**
B		Items that may be reclassified to profit or loss			
	(a)	Income tax relating to items that may be reclassified to profit or loss		-	-
				-	-
		Total other comprehensive income (A + B)		**(23,038)**	**29,454**
		Total comprehensive income for the year (V+VI)		**1,77,82,172**	**3,40,67,589**
		Earnings per equity share			
		(1) Basic (in ₹)	30	20.88	34.04
		(2) Diluted (in ₹)		20.88	34.04

Significant accounting policies

The notes referred to above form an integral part of the financial statements

For and on behalf of the Board of Directors.

For Batliboi & Purohit
Chartered Accountants
ICAI Firm Regn No.101048W

Suresh Redhu
Chairman
DIN: 06607351

Aslam Karmali
Director
DIN: 02291530

Kaushal Mehta
Partner
Membership No. 111749
Place: Mumbai
Date: May 25, 2021

Vikram Surendran
Director
DIN: 07322381

Forbes Aquatech Limited
Cash Flow Statement for the year ended 31st March, 2021

		Year ended March 31, 2021	Year ended March 31, 2020
			₹
A	**Cash flows from operating activities**		
	Profit before tax	2,46,67,789	4,70,41,141
	Adjustments for:		
	Finance costs recognised in profit or loss	6,96,442	16,95,226
	Interest Income	(1,16,563)	-
	Remeasurements of the defined benefit plans	(31,917)	40,806
	Depreciation and amortisation of non-current assets	55,52,871	59,44,424
		3,07,68,622	**5,47,21,597**
	Movements in assets & liabilities:		
	(Increase)/decrease in trade and other receivables	4,51,93,934	(2,72,37,990)
	(Increase)/decrease in inventories	43,14,377	(6,90,418)
	(Increase)/decrease in current Other Assets	(2,36,195)	(4,37,338)
	(Increase)/decrease in non current financial Other Assets	(15,00,000)	9,33,600
	Increase/ (Decrease) in trade and other payables	(50,25,324)	(70,87,027)
	Increase/(Decrease) in provisions	(1,32,908)	82,934
	Increase/(Decrease) in other liabilities	(11,68,327)	41,227
		4,14,45,557	(3,43,95,012)
	Cash generated from operations	**7,22,14,179**	**2,03,26,585**
	Income taxes paid	(31,23,077)	(91,71,976)
	Net cash generated by operating activities	**6,90,91,102**	**1,11,54,609**
B	**Cash flows from investing activities**		
	Interest received	1,16,563	-
	Payments for property, plant and equipment	(62,300)	(3,31,681)
	Proceeds from disposal of property, plant and equipment	10,52,010	-
	Net cash (used in)/generated by investing activities	11,06,273	(3,31,681)
C	**Cash flows from financing activities**		
	Net increase / (decrease) in working capital borrowings (refer note 37)	(64,19,763)	(61,37,172)
	Proceeds paid on Buy back of equity shares	(4,82,50,000)	-
	Tax Paid on Buy Back of equity Shares	(1,06,57,920)	-
	Lease rental Payments	(33,71,013)	(34,53,742)
	Interest paid	(1,55,374)	(9,24,504)
	Net cash used in financing activities	(6,88,54,070)	(1,05,15,418)
	Net increase in cash and cash equivalents (A+B+C)	13,43,305	3,07,510
	Cash and cash equivalents at the beginning of the year	6,06,520	2,99,010
	Cash and cash equivalents at the end of the year	**19,49,825**	**6,06,520**

The notes referred to above form an integral part of the financial statements
As per our report of even date

For and on behalf of the Board of Directors.

For Batliboi & Purohit
Chartered Accountants
ICAI Firm Regn No.101048W

Suresh Redhu
Chairman
DIN: 06607351

Aslam Karmali
Director
DIN: 02291530

Kaushal Mehta
Partner
Membership No. 111749
Place: Mumbai
Date: May 25, 2021

Vikram Surendran
Director
DIN: 07322381

Forbes Aquatech Limited

Statement of changes in equity for the year ended March 31, 2021

a. Equity share capital	Amount (₹)
Balance at April 1, 2019	1,00,00,500
Changes in equity share capital during the year	-
Balance at March 31, 2020	**1,00,00,500**
Changes in equity share capital during the year	(25,00,000)
Balance at March 31, 2021	**75,00,500**

b. Other Equity

	Attributable to owners of the company						
	Reserves and surplus				Items of Other Comprehensive Income		Total Other Equity
	General reserve	Capital Redemption Reserve	Retained earnings	Total	Other items of other comprehensive income- Remeasurement of defined benefit	Total	
	₹	₹	₹	₹	₹	₹	₹
Balance at April 1, 2019	**2,55,00,000**	**-**	**12,91,20,498**	**15,46,20,498**	**(28,186)**	**(28,186)**	**15,45,92,312**
Profit for the year	-	-	3,40,38,135	3,40,38,135	-	-	3,40,38,135
Other comprehensive income for the year, net of income tax	-	-	-	-	29,454	29,454	29,454
Total comprehensive income for the year	**-**	**-**	**3,40,38,135**	**3,40,38,135**	**29,454**	**29,454**	**3,40,67,589**
Interim Dividends	-	-	-	-	-	-	-
Tax on distributed profits	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-
Balance at March 31, 2020	**2,55,00,000**	**-**	**16,31,58,633**	**18,86,58,633**	**1,268**	**1,268**	**18,86,59,901**
Profit for the year	-	-	1,78,05,210	1,78,05,210	-	-	1,78,05,210
Other comprehensive income for the year, net of income tax	-	-	-	-	(23,038)	(23,038)	(23,038)
Total comprehensive income for the year	**-**	**-**	**1,78,05,210**	**1,78,05,210**	**(23,038)**	**(23,038)**	**1,77,82,172**
Utilised for Buy Back of Shares	-	-	(4,57,50,000)	(4,57,50,000)	-	-	(4,57,50,000)
Tax Paid on Buy back of shares	-	-	(1,06,57,920)	(1,06,57,920)	-	-	(1,06,57,920)
Transfer to Capital redemption reserve on account of Buyback of Shares	-	25,00,000	(25,00,000)	-	-	-	-
Balance at March 31, 2021	**2,55,00,000**	**25,00,000**	**12,20,55,923**	**15,00,55,923**	**(21,770)**	**(21,770)**	**15,00,34,153**

As per our report of even date

For Batliboi & Purohit
Chartered Accountants

ICAI Firm Regn No.101048W

For and on behalf of the Board of Directors.

Suresh Redhu
Chairman
DIN: 06607351

Aslam Karmali
Director
DIN: 02291530

Kaushal Mehta
Partner
Membership No. 111749
Place: Mumbai
Date: May 25, 2021

Vikram Surendran
Director
DIN: 07322381

1. Reporting entity

Forbes Aquatech Limited (the 'Company') is a Company domiciled in India, with its registered office situated at No. 143, C-4, Bommasandra Industrial Area, Off. Hosur Road, Bangalore – 560099. The Company is a 66.67% subsidiary of M/s Eureka Forbes Limited, a Company incorporated under the Companies Act, 1956. The Company is primarily involved in manufacturing of Non electric water purifier.

The manufacturing facility of the Company is located at Lal Tappar Industrial Area in the State of Uttarakhand.

2. Basis of preparation

a. Statement of compliance

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

The financial statements were authorised for issue by the Company's Board of Directors on May 25, 2021.

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

b. Functional and presentation currency

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

c. Basis of measurement

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

d. Use of estimates and judgements

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

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

Judgements

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

- Note 3(c)(iii) and 4 – useful life of Property, plant and equipment
- Note 3(d)(iii) and 5 – useful life of Intangible assets
- Note 3(g) and 24 – employee benefit plans
- Note 3(h) and 31 – provisions and contingent liabilities
- Note 3(l) and 28 – Income taxes
- Note 3(j) and 35 – Lease classification

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2021 is included in the following notes:
-Note 16 – recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;
-Note 31 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;

e. Measurement of fair values

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

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

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

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

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.
- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

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

Further information about the assumptions made in measuring fair values is included in the following note:
- Note 39 – financial instruments.

3. Significant accounting polices

a. Foreign currency transactions

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

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

b. Financial instruments

i. *Recognition and initial measurement*

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii. *Classification and subsequent measurement*

Financial assets

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

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

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

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

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

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

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

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amotised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

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

iii. *Derrecogniton*

Financial assets

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

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

Financial liabilities

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

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

iv. *Offsetting*

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

C. Property, plant and equipment

i. Recognition and measurement

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

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

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

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

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

ii. Subsequent expenditure

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

iii. Depreciation

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

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

Asset	Management estimate of useful life	Useful life as per Schedule II of the Companies Act, 2013
Plant and machinery (including moulds)	15 years	15 years
Office equipments	5 years	5 years
Furniture and fixtures	10 years	10 years
Computers	3 years	3 years
Computer server	6 years	6 years
Vehicles- Motor car	5 years	8 years
Electric fittings	10 years	10 years

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

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

d. Intangible assets

i. Acquired intangible

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

ii. Subsequent expenditure

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

iii. Amortisation

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

Intangible assets are amortised over a period of 10 years for technical know how and 3 years for others.

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

e. Inventories

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

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

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

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

f. Impairment

i. Impairment of financial instruments

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

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

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

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

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

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

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

ii. Impairment of non-financial assets

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

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

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

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

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

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

g. Employee benefits

i. *Short-term employee benefits*

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

ii. *Defined contribution plans*

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

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

iii. Defined benefit plans

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

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

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

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

iv. Other long-term employee benefits

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

h. Provisions and contingent liabilities

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

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

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

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

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

i. Revenue

Revenue from the sale of goods in the course of ordinary activities is recognised at the 'transaction price' when the goods are 'transferred' to the customer. The 'transaction price' is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods to a customer, excluding amounts collected on behalf of third parties (for example, goods and service tax). The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both. The goods are considered as 'transferred' when the customer obtains control of those goods.

Revenue from services are recognised in the accounting period in which service are rendered. For fixed price contracts, revenue is recognised based on actual services provided to the end of the reporting period as a proportion of the total services to be provided.

Dividend income is recognised when the right to receive payment is established and known.

j. Leases

As a lessee:

The Company has adopted Ind AS 116 - Leases, with effect from April 01, 2019. The Company did not have any impact on transition date ie. April 01, 2019 on account of adoption of Ind AS 116.

In the statement of profit and loss for the year, instead of rent expenses (as accounted under previous periods), amortisation of right of use has been accounted under depreciation and amortisation expenses and unwinding of discount on lease liabilities has been accounted under finance cost. The impact on the profits / (loss) for the year due the above change in accounting policy is additional expense of Rs. 3.91 lakhs.

The Company’s leases primarily consist of leases of land and office premises. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the date of commencement of the lease, the Company recognizes a ROU and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and/or low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Currently, ROU assets are being amortised over a period of 3-5 years based on lease term being lower of lease term and estimated useful life of underlying assets.

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

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 unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

k. Recognition of interest income or expense

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

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

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

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

l. Income tax

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

i. Current tax

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

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

ii. Deferred tax

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

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

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

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

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

m. Earnings per share

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

n. Statement of cash flows:

Cash Flows are reported using indirect method, where by profit /loss before tax is adjusted for the effects of transactions of non cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flow for the year are classified by operating, investing and financing activities.

o. Recent amendments to Indian Accounting Standards:

On 24 July 2020, the Ministry of Corporate Affairs (MCA) had issued amendments to certain Ind AS as follows:

i. Ind AS 103 - Business Combinations:

The definition of the term “business” has been revised. An optional test has been introduced to identify concentration of fair value to permit a simplified assessment of whether an acquired set of activities and assets is not a business. Additional guidance with elements of business and on assessing whether an acquired process is substantive. An entity is required to apply the amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after the 1 April 2020 and to asset acquisitions that occur on or after the beginning of that period. There was no impact on the financial statements of the Company on adoption of the above amendments for the year.

ii. Ind AS 107 - Financial Instruments: Disclosures:

Additional disclosures have been introduced for uncertainties arising from interest rate benchmark reforms consequential to the hedge accounting related amendments in the Ind AS 109 – Financial Instruments. The Company did not have any transactions during the year to which these amendments were applicable.

iii. Ind AS 109 - Financial Instruments:

Temporary exceptions from applying specific hedge accounting requirements have been introduced for all hedging relationships directly affected by ‘interest rate benchmark reform’. (i.e. the market-wide reform of an interest rate benchmark, including the replacement of an interest rate benchmark with an alternative benchmark rate). This amendment is effective for annual reporting periods beginning on or after 1 April 2020. The Company did not have any transactions during the year to which these amendments were applicable.

iv. Ind AS 116 - Leases:

A Practical expedient has been allowed to permit lessees to exclude COVID-19 related rent concessions to be treated as a lease modification. This amendment is applicable to the Company from annual reporting periods beginning on or after 1 April 2020. There were no rent concessions during the year and accordingly, there was no impact on the financial statements of the Company on adoption of the above amendments for the year.

v. Ind AS 1 - Presentation of Financial Statements and Ind AS 8 -Accounting Policies, Changes in Accounting Estimates and Errors (and consequential amendments to other Ind AS):
The definition of the term “material” has been revised and is applicable prospectively for annual periods beginning on or after 1 April 2020. Consequent to the revised definition of “material”, certain amendments were also notified in the Ind AS 10 - Events after the Reporting Period, Ind AS 34 - Interim Financial Reporting and Ind AS 37 -Provisions, Contingent Liabilities and Contingent Assets.
There was no impact on the financial statements of the Company on adoption of this amendment for the year.

vi. Standards issued but not yet effective:

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

Forbes Aquatech Limited
Notes to the financial statements for the year ended March 31, 2021 - continued

4. Property, plant and equipment

Cost or deemed cost	Electric Installations	Plant and machinery	Mould, Pattern & Dies	Furniture and fixtures	Computers	Vehicles	Office Equipments	Total
	₹	₹	₹	₹	₹	₹	₹	₹
As at 1st April 2019	5,05,284	81,16,382	2,93,83,187	16,94,393	8,22,478	28,26,732	20,15,571	4,53,64,028
Additions	-	21,900	90,520	-	1,97,661	-	21,600	3,31,681
Disposals	-	-	-	-	-	-	-	-
As at 31 March 2020	5,05,284	81,38,282	2,94,73,707	16,94,393	10,20,139	28,26,732	20,37,171	4,56,95,710
Additions	-	62,300	-	-	-	-	-	62,300
Disposals	-	-	-	1,80,706	-	14,88,583	18,950	16,88,239
As at March 31, 2021	5,05,284	82,00,582	2,94,73,707	15,13,687	10,20,139	13,38,149	20,18,221	4,40,69,771

Accumulated depreciation	Electric Installations	Plant and machinery	Mould,Pattern & Dies	Furniture and fixtures	Computers	Vehicles	Office Equipments	Total
	₹	₹	₹	₹	₹	₹	₹	₹
As at 1 April 2019	3,04,239	36,40,983	1,25,16,496	13,45,934	7,74,796	12,47,751	19,10,945	2,17,41,144
Charge for the year	41,789	5,34,477	16,71,734	60,067	61,056	4,94,308	6,563	28,69,994
Disposals	-	-	-	-	-	-	-	-
As at 31 March 2020	3,46,028	41,75,460	1,41,88,230	14,06,001	8,35,852	17,42,059	19,17,508	2,46,11,138
Charge for the year	36,703	5,29,183	16,71,577	34,455	66,290	88,643	4,353	24,31,204
Disposals	-	-	-	58,764	-	5,59,463	18,002	6,36,229
As at March 31, 2021	3,82,731	47,04,643	1,58,59,807	13,81,692	9,02,142	12,71,239	19,03,859	2,64,06,113
Carrying Amount								
As at March 31, 2020	1,59,256	39,62,822	1,52,85,477	2,88,392	1,84,287	10,84,673	1,19,663	2,10,84,572
As at March 31, 2021	1,22,553	34,95,939	1,36,13,900	1,31,995	1,17,997	66,910	1,14,362	1,76,63,658

5. Other intangible assets

Cost or deemed cost	Technical Knowhow	Computers Software	Total
	₹	₹	₹
As at 1 April 2019	30,00,000	17,000	30,17,000
Additions	-	-	-
As at 31 March 2020	30,00,000	17,000	30,17,000
Additions	-	-	-
As at March 31, 2021	30,00,000	17,000	30,17,000
Amortisation			
As at 1 April 2019	30,00,000	16,150	30,16,150
Charge for the year	-	-	-
As at 31 March 2020	30,00,000	16,150	30,16,150
Charge for the year	-	-	-
As at March 31, 2021	30,00,000	16,150	30,16,150
Carrying Amount			
As at March 31,2020	-	850	850
As at March 31, 2021	-	850	850

6. Rights of Use of Assets

Cost or deemed cost	Building	Total
As at 1 April 2019	-	-
Additions	1,02,21,202	1,02,21,202
As at 31 March 2020	1,02,21,202	1,02,21,202
Additions/ (Deletion)	(6,46,862)	(6,46,862)
As at March 31, 2021	95,74,340	95,74,340
Amortisation		
As at 1 April 2019	-	-
Charge for the year	30,74,430	30,74,430
As at 31 March 2020	30,74,430	30,74,430
Charge for the year	31,21,667	31,21,667
As at March 31, 2021	61,96,097	61,96,097
Carrying Amount		
As at 31 March 2020	71,46,772	71,46,772
As at March 31, 2021	33,78,243	33,78,243

7. Trade receivables

Particulars	Current	
	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Trade receivables - Others		
Secured, considered good	-	-
Unsecured, considered good	115	6,275
Unsecured, Debts due from related parties	12,51,92,377	17,03,80,151
Unsecured Doubtful	-	-
Less: Allowance for doubtful debts	-	-
Total	12,51,92,492	17,03,86,426
Total	12,51,92,492	17,03,86,426

8. Other financial assets

Particulars	Non Current	
	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Security deposits - unsecured considered good - to related parties	10,000	10,000
Security deposits - unsecured considered good	26,46,000	11,46,000
	26,56,000	11,56,000

9. Inventories

Particulars	As at March 31, 2021	As at March 31, 2020
	₹	₹
Inventories (lower of cost and net realisable value)		
Raw materials	2,09,44,440	2,52,44,377
Finished goods	48,039	62,479
	2,09,92,479	2,53,06,856

The cost of inventories recognised as an expense includes ₹. NIL (during 2019-2020: ₹. 7,05,818.18/-) in respect of write-downs of inventory to net realisable value.

10. Cash and cash equivalents

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

Particulars	As at March 31, 2021	As at March 31, 2020
	₹	₹
Balances with Banks in current accounts	19,49,642	6,06,337
Year marked balances (Dividend account)	-	-
Cash on hand	183	183
Others		
Fixed Deposit with HDFC Bank (With maturity less than 3 months)	-	-
Total Cash & Cash Equivalents	**19,49,825**	**6,06,520**

11. Other assets

Particulars	Non Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
	₹	₹	₹	₹
Capital Advances	-	-	-	-
Prepaid expenses	-	-	1,02,701	1,57,542
Balance with statutory/ government authorities	25,87,946	25,87,946	-	-
Advances receivable in cash or kind	-	-	4,39,704	4,14,864
Advance to Supplier	-	-	2,66,196	-
Total	25,87,946	25,87,946	8,08,601	5,72,406

12. Equity Share Capital

Particulars	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Equity share capital	75,00,500	1,00,00,500
Total	75,00,500	1,00,00,500
Authorised Share capital :		
20,00,000 fully paid equity shares of ₹ 10 each	2,00,00,000	2,00,00,000
Issued subscribed and fully paid up:		
750,050 fully paid equity shares of ₹ 10 each (as at March 31, 2020: 10,00,050)	75,00,500	1,00,00,500
	75,00,500	1,00,00,500

12.1 Fully paid equity shares - Reconciliation of nuber of shares

Particulars	Number of shares	Share capital ₹
Balance at April 1, 2019	10,00,050	1,00,00,500
Add: Issued during the year	-	-
Less: Bought back during the year	-	-
Balance at March 31, 2020	10,00,050	1,00,00,500
Add: Issued during the year	-	-
Less: Shares extinguished on buy back	2,50,000	25,00,000
Balance at March 31, 2021	7,50,050	75,00,500

a. Rights, Preferences and restrictions attached to Equity shares : The Company has one class of Equity shares. Each fully paid equity share has a par value of ₹ 10. Each holder of equity shares is entitled to one vote per share with a right to receive per share dividend declared by the Company. In the event of liquidation, the equity shareholders are entitled to receive remaining assets of the Company (after distribution of all preferential amounts) in the proportion of equity shares held by the shareholders.

b. Board of Director's in their Meeting held on August 4, 2020 had approved 25% of existing shares as on that date for buy back at the rate of Rs. 193/- per share. Accordingly the Company bought back 2,50,000 Equity shares for an aggregate amount of Rs. 482.50 Lacs. The Equity shares bought back were extinguished on August 28, 2020.

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of shares held	% holding in the class of shares	Number of shares held	% holding in the class of shares
Fully paid equity shares				
Eureka Forbes Limited	5,00,000	66.66%	5,00,000	50.00%
Filtrex Holding Pte Ltd.	2,50,000	33.33%	2,50,000	25.00%
Total	7,50,000	99.99%	7,50,000	75.00%

13. Other equity

Particulars	As at March 31, 2021	As at March 31, 2020
	₹	₹
General reserve		
Balance at beginning of the year	2,55,00,000	2,55,00,000
Balance at end of the year	**2,55,00,000**	**2,55,00,000**
Capital Redemption reserve		
Balance at beginning of the year	-	-
Add: transfer from retained earnings for Buy back of shares	25,00,000	-
Balance at end of the year	**25,00,000**	**-**
Retained earnings		
Balance at beginning of year	16,31,58,633	12,91,20,498
Add/ (less): Profit/ (loss) for the year	1,78,05,210	3,40,38,135
Less: Transfer to Capital redemption reserves on account of Buy-back of Shares	(25,00,000)	-
Less: Utilised for Buy Back of Equity Shares	(4,57,50,000)	-
Less: Tax Paid on Buy back of shares	(1,06,57,920)	-
Balance at end of the year	**12,20,55,923**	**16,31,58,633**
Items of Other Comprehensive Income		
Balance at beginning of year	1,268	(28,186)
Other comprehensive income arising from re-measurement of defined benefit obligation net of income tax	(23,038)	29,454
Balance at end of the year	**(21,770)**	**1,268**
Total	**15,00,34,153**	**18,86,59,901**

13 A. 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 Note 18 offset by cash and bank balances) and equity of the Company (comprising issued capital, reserves and retained earnings as detailed in Notes 12 to 13).

Gearing ratio

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

Particulars	As at March 31, 2021	As at March 31, 2020
Debt (i)	-	64,19,763
Less: Cash and cash equivalent	19,49,825	6,06,520
Net debt	-	58,13,243
Equity (ii)	15,75,34,653	19,86,60,401
Net debt to equity ratio (%)	*NA*	*3%*

Financial Liabilities

14. Other financial liabilities

Particulars	Non Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
	₹	₹	₹	₹
(a) Others :-				
-Dues to employees	-	-	7,30,582	17,22,807
-Unclaimed Dividend	-	-	1,100	1,100
-Dues on account of other contractual liabilities	-	-	19,57,843	14,02,501
Total	-	-	26,89,525	31,26,408

15. Provisions

Particulars	Non Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
	₹	₹	₹	₹
Employee benefits				
- Compensated Absences	2,48,128	3,62,006	10,634	15,645
- Gratuity	5,52,925	5,65,387	12,474	14,031
Total	8,01,053	9,27,393	23,108	29,676

15.1 Provision for Compensated Absences

Based on past experience the company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 Months.

16. Deferred tax balances

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

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred tax assets	1,08,80,127	1,38,50,231
Deferred tax liabilities	(23,73,564)	(26,02,188)
Net	85,06,563	1,12,48,043

Particulars	Property, plant and equipment	Provisions - Impact of expenditure charged to the profit and loss in the current year but allowed for tax on payment basis	On Account of Lease liability	MAT Credit Entitlement	Total
Deferred tax (liabilities)/assets in relation to:					
Net balance April 1, 2019	**(27,74,914)**	**2,43,184**	**-**	**1,89,35,212**	**1,64,03,482**
Recognised in profit or (loss)	1,72,726	23,073	1,08,890	-	3,04,689
MAT Credit	-	-	-	(54,60,128)	(54,60,128)
Recognised in other comprehensive income	-	-	-	-	-
Closing balance March 31, 2020	**(26,02,188)**	**2,66,257**	**1,08,890**	**1,34,75,084**	**1,12,48,043**
Recognised in profit or (loss)	2,28,624	(36,975)	81,157	-	2,72,806
MAT Credit	-	-	-	(30,14,286)	(30,14,286)
Recognised in other comprehensive income	-	-	-	-	-
Closing balance March 31, 2021	**(23,73,564)**	**2,29,282**	**1,90,047**	**1,04,60,798**	**85,06,563**

17. Other Liabilities

Particulars	Non Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
	₹	₹	₹	₹
(a) Deposit from employees for company's assets	3,91,728	10,98,029	-	-
(b) Advances from customers	-	-	51,730	50,000
(c) Statutory liabilities (Contributions to PF, Pension, ESIC, withholding Taxes, VAT etc.)	-	-	4,11,775	4,38,648
Total	3,91,728	10,98,029	4,63,505	4,88,648

18. Current Borrowings

Particulars	Non Current	
	As at March 31, 2021	As at March 31, 2020
Secured - at amortised cost	₹	₹
(a) Loans repayable on demand		
-from banks (Cash credit/ Buyers credit) refer (i) below	-	64,19,763
Total	-	64,19,763

19. Trade payables

Particulars	Current	
	As at March 31, 2021	As at March 31, 2020
	₹	₹
Trade payables (including acceptances)	1,81,92,623	2,32,37,573
(Refer note below for dues to Micro and Small Enterprises)		
Trade payables to related parties (Refer note 33)	44,844	25,218
Total	1,82,37,467	2,32,62,791

The average credit period for purchase of certain goods (other than MSME) is 45 days. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

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

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Principal amount remaining unpaid to MSME suppliers as on year end	1,58,49,856	1,78,85,267
(ii) Interest due on unpaid principal amount to MSME suppliers as on year end	74,368	74,368
(iii) The amount of interest paid along with the amounts of the payment made to the MSME suppliers beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year (without adding the interest under MSME Development Act)	-	-
(v) The amount of interest accrued and remaining unpaid as on year end	-	-
(vi) The amount of interest due and payable to be disallowed under Income Tax Act, 1961	-	-

20. Current tax assets and liabilities

Particulars	Non Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
	₹	₹	₹	₹
Current tax assets (Net)				
Advance income-tax (Net of provision of taxation)	15,23,722	14,54,900	-	-
Total	15,23,722	14,54,900	-	-
Current tax Liabilities				
Provision for Taxation (Net of Advance Tax)	-	-	10,57,965	-
	-	-	10,57,965	-

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Notes to the financial statements for the year ended March 31, 2021 - continued

21. Revenue from operations

	Year ended March 31, 2021	Year ended March 31, 2020
	₹	₹
(a) Sale of product		
- Finished Goods	16,05,16,142	27,69,68,146
- Traded Goods	49,04,928	31,12,224
(b) Sale of services	81,38,226	54,48,819
(c) Other operating revenues		
Scrap sales	3,41,404	4,70,922
Total	17,39,00,700	28,60,00,111

22. Other Income and other gains/ (losses)

Other Income	Year ended March 31, 2021	Year ended March 31, 2020
	₹	₹
Interest income from financial assets at amortised cost:		
Bank deposits	1,16,563	-
Misc Income	83,778	27,073
	2,00,341	27,073

Other gains/(losses)	Year ended March 31, 2021	Year ended March 31, 2020
	₹	₹
Net foreign exchange gains/(losses)	(1,14,271)	(2,89,996)
	(1,14,271)	(2,89,996)
	86,070	(2,62,923)

23. Cost of materials consumed

		Year ended March 31, 2021 ₹	Year ended March 31, 2020 ₹
23.1	Material consumption		
	Raw Materials		
	Opening Stock	2,52,44,377	2,45,55,886
	Add: Purchases	11,44,31,894	20,63,00,541
	Less: Closing Stock	2,09,44,440	2,52,44,377
		11,87,31,831	20,56,12,050
23.2	Purchase of traded products	39,04,559	25,44,275
23.3	Finished Goods		
	Opening Stock	62,479	60,552
	Less: Closing Stock	48,039	62,479
	Changes in inventories of finished goods, work-in-progress and stock-in-trade.	14,440	(1,927)
	Total	**12,26,50,830**	**20,81,54,398**

24. Employee benefits expense

Particulars	Year ended March 31, 2021 ₹	Year ended March 31, 2020 ₹
Salaries and Wages	40,76,956	66,54,302
Contribution to provident and other funds	2,96,606	3,60,717
Staff Welfare Expenses	1,95,284	3,13,374
Total	**45,68,846**	**73,28,393**

25. Finance costs

	Year ended March 31, 2021 ₹	Year ended March 31, 2020 ₹
Interest on bank cash credit	1,55,374	9,24,504
Interest on lease liabilities	5,41,068	7,70,722
Other borrowing costs	-	-
Total	**6,96,442**	**16,95,226**

26. Depreciation and amortisation expense

Particulars	Year ended March 31, 2021 ₹	Year ended March 31, 2020 ₹
Depreciation of property, plant and equipment (Note 4)	24,31,204	28,69,994
Depreciation on Right of Use of Assets (Note 6)	31,21,667	30,74,430
Total depreciation and amortisation	**55,52,871**	**59,44,424**

27. Other expenses

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
	₹	₹
Electricity	3,96,640	4,95,972
Rent	21,245	2,60,963
Repairs and Maintenance :-		
Machinery	3,25,092	3,97,729
Others	5,54,242	4,03,221
Insurance	2,96,471	3,48,295
Selling and Sales Promotion	-	-
Freight, Forwarding and Delivery	-	1,05,269
Payment to Auditors (Refer details Below)	3,37,500	3,42,491
Printing and Stationery	37,807	55,296
Communication cost	1,29,514	1,48,996
Travelling and Conveyance	8,106	1,55,552
Legal and Professional Fees	25,79,129	11,44,919
Vehicle Running Expenses	4,02,035	7,10,214
Rates and taxes, excluding taxes on income	5,05,668	5,25,517
Information Technology Expenses	24,79,585	23,97,797
Other Establishment Expenses	2,73,595	7,41,256
Contractual Labour Charges	67,53,992	65,50,494
Security Charges	6,69,371	7,24,625
Directors' Sitting Fees	80,000	65,000
Total	**1,58,49,992**	**1,55,73,606**

Payments to auditors	Year ended March 31, 2021	Year ended March 31, 2020
	₹	₹
a) For audit	2,37,500	2,37,500
b) For taxation matters	70,000	50,000
c) For other services	30,000	-
d) For reimbursement of expenses	-	54,991
Total	3,37,500	3,42,491

28. Income taxes

28.1 Income tax recognised in profit or loss

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
	₹	₹
Current tax		
In respect of the current year	71,26,506	1,33,19,047
In respect of prior years	-	-
	71,26,506	1,33,19,047
Deferred tax		
In respect of the current year	(2,72,806)	(3,04,689)
	(2,72,806)	(3,04,689)
Minimum Alternate Tax entitlement	-	-
Total income tax expense recognised in the current year	**68,53,700**	**1,30,14,358**

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Notes to the financial statements

29 Tax expense

(a) Amounts recognised in profit and loss

Particulars	For the year ended March 31, 2021 ₹	For the year ended March 31, 2020 ₹
Current income tax	71,35,385	1,33,07,695
Less: MAT Credit entitlement	-	-
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	(2,72,806)	(3,04,689)
Deferred tax expense	(2,72,806)	(3,04,689)
Tax expense for the year	68,62,579	1,30,03,006

(b) Amounts recognised in other comprehensive income

Particulars	For the year ended March 31, 2021			For the year ended March 31, 2020		
	Before tax ₹	Tax (expense) benefit ₹	Net of tax ₹	Before tax ₹	Tax (expense) benefit ₹	Net of tax ₹
Items that will not be reclassified to profit or loss						
Changes in revaluation surplus	-	-	-	-	-	-
Remeasurements of the defined benefit plans	(31,917)	(8,879)	(23,038)	40,806	11,352	29,454
	(31,917)	(8,879)	(23,038)	40,806	11,352	29,454

(c) Reconciliation of effective tax rate

Particulars	For the year ended March 31, 2021 ₹	For the year ended March 31, 2020 ₹
Profit before tax	2,46,67,789	4,70,41,141
Tax using the Company’s domestic tax rate (Current year 27.82% and Previous Year 27.82%)	68,62,579	1,30,86,845
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Adjustment for Current tax of prior year expenses allowed during CY	-	(1,06,029)
Tax on Remeasurements gains/ (Losses) of the defined benefit plans	-	-
Tax on temporary differences - Interest on MSME	-	20,689
Readjustment of opening deferred taxes	-	1,501
Others	-	-
Interest on Income Tax	-	-
	68,62,579	1,30,03,006

(d) Movement in deferred tax balances

							31-Mar-21		
	Net balance April 1, 2020	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Acquired in business combinations	Other - Utilised against tax payable	Net	Deferred tax asset	Deferred tax liability
	₹	₹	₹	₹	₹	₹	₹	₹	₹
Deferred tax asset									
Property, plant and equipment	(26,02,188)	2,28,624	-	-	-	-	(23,73,564)	-	(23,73,564)
Others - MAT Credit entilement	1,34,75,084	-	-	-	-	(30,14,286)	1,04,60,798	1,04,60,798	-
On Account of Lease liability	1,08,890	81,157	-	-	-	-	1,90,047	1,90,047	-
Others - Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	2,66,257	(36,975)	-	-	-	-	2,29,282	2,29,282	-
Tax assets (Liabilities)	**1,12,48,043**	**2,72,806**	**-**	**-**	**-**	**(30,14,286)**	**85,06,563**	**1,08,80,127**	**(23,73,564)**
Set off tax									
Net tax assets	**1,12,48,043**	**2,72,806**	**-**	**-**	**-**	**(30,14,286)**	**85,06,563**	**1,08,80,127**	**(23,73,564)**

(e) Movement in deferred tax balances

							31-Mar-20		
	Net balance April 1, 2019	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Acquired in business combinations	Other - Utilised against tax payable	Net	Deferred tax asset	Deferred tax liability
	₹	₹	₹	₹	₹	₹	₹	₹	₹
Deferred tax asset									
Property, plant and equipment	(27,74,914)	1,72,726	-	-	-	-	(26,02,188)	-	(26,02,188)
Others - MAT Credit entitlement	1,89,35,212	-	-	-	-	(54,60,128.00)	1,34,75,084	1,34,75,084	-
On Account of Lease liability	-	1,08,890	-	-	-	-	1,08,890	1,08,890	-
Others - Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	2,43,184	23,073	-	-	-	-	2,66,257	2,66,257	-
Tax assets (Liabilities)	**1,64,03,482**	**3,04,689**	**-**	**-**	**-**	**(54,60,128)**	**1,12,48,043**	**1,38,50,231**	**(26,02,188)**
Set off tax									
Net tax assets	**1,64,03,482**	**3,04,689**	**-**	**-**	**-**	**(54,60,128)**	**1,12,48,043**	**1,38,50,231**	**(26,02,188)**

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

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

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Notes to the financial statements for the year ended March 31, 2021 - continued

30: Earnings per share (EPS)

i. Profit attributable to Equity Shareholders

	March 31, 2021 ₹	March 31, 2020 ₹
Profit attributable to equity Shareholders:	1,78,05,210	3,40,38,135
Profit attributable to equity shareholders for basic earnings	1,78,05,210	3,40,38,135

ii. Weighted average number of ordinary shares

	March 31, 2021 ₹	March 31, 2020 ₹
Issued ordinary shares at April 1	10,00,050	10,00,050
Effect of shares issued as Bonus shares	-	-
Effect of Buy back of equity shares	(1,47,260)	-
Weighted average number of shares at March 31 for basic EPS	8,52,790	10,00,050
Effect of Dilution	-	-
Weighted average number of shares at March 31 after effect of dilution	8,52,790	10,00,050

Basic and Diluted earnings per share

	March 31, 2021 ₹	March 31, 2020 ₹
Basic earnings per share	20.88	34.04
Diluted earnings per share	20.88	34.04

31	Contingent liability and commitments	As at 31.03.2021	As at 31.03.2020
		₹	₹
	Contingent Liabilities (to the extent not provided for)		
	Disputed Sales Tax demands	17,97,600	17,97,600
	Disputed Central Excise demands	1,20,02,128	1,20,02,128
		1,37,99,728	**1,37,99,728**

32 **Commitments (to the extent not provided for)**

Estimated amount of contracts remaining to be executed on Capital accounts and not provided for amounting **₹ Nil** *(Previous year ₹ Nil)*

33 As required by the Ind AS 24 on the "Related Party Disclosures", the list of related parties and their transactions is attached.

34 The Company was set up with the objective of manufacturing Non electric water purifiers. This is the only activity performed and is thus also the main source of risks and returns. Accordingly, the Company has a single reportable segment. Further, as the Company does not operate in more than one geographical segment hence the relevant disclosures as per Ind AS 108 are not applicable to the company.

35 In accordance with Ind AS 116 disclosures in respect of Leases are made below :

Operating Leases

Leases as Lessee

a. The Company has taken ceratin premises on cancellable and Non - cancellable operating lease basis. Lease payments in respect of non cancellable leases, the agreements contains lock in period of 3-5 years. In the agreements there are no terms for purchase option or any restriction such as those concerning dividend and additional debts. Lease agreement of the Company do not contain any variable lease payment or any residual value guarantee. The Company has not entered into any sub-lease agreement.

b. Information in respect of leases for which right- of use of assets and corresponding lease liabilities have been recognised are as follows:

Particulars	As at 31.03.2020 (₹)	As at 31.03.2020 (₹)
Additions to Rights-of-use of assets during the year (Commercial premises)	-	1,02,21,202
Deletion to Rights-of-use of assets during the year (Commercial premises)	6,46,862	-
Amortisation of right-of-use of assets during the year	31,21,667	30,74,430
Interest Expenses (unwinding of discount) on lease liabilities	5,41,068	7,70,722
Lease rental expenses relating to short term leases/ low value assets	21,245	2,60,963
Total Cash outflows in respect of leases (including short term leases)	33,92,258	37,14,705
Carrying amount right-of-use of assets at year end (commercial premises)	33,78,243	71,46,772

36 The Company has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of these financial statements including the recoverability of carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company has, at the date of approval of these financial statements, used internal and external sources of information and expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

37 **Changes in carrying amount of financial liabilities included under financing activities under cash flow statement:**

Particulars	Borrowing (₹)
Opening Balance	64,19,763
Changes due to cash flow	(64,19,763)
Non cash Change	-
Closing balance	-

38. Employee benefit obligation

	As at 31 March 2021		As at 31 March 2020	
	Non-current	Current	Non-current	Current
Compensated absences	2,48,128	10,634	3,62,006	15,645
Gratuity	5,52,925	12,474	5,65,387	14,031
	8,01,053	23,108	9,27,393	29,676

(i) *Defined benefit plan - Gratuity*

The Company provides for gratuity for employees 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 an unfunded plan.

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

	As at 31 March 2021	As at 31 March 2020
Present value of obligation as at the beginning of the year	**5,79,418**	**5,18,069**
Current service cost	45,946	62,264
Interest expense	45,195	39,891
Total amount recognised in profit or loss	**91,141**	**1,02,155**
Remeasurements		
(Gain)/loss from change in financial assumptions	64,668	(5,280)
Experience (gains)/losses	(32,751)	(35,179)
(Gain)/loss from change in Demographic assumpt	-	(347)
Total amount recognised in other comprehensive in	**31,917**	**(40,806)**
Benefit payments	(1,37,077)	-
Present value of obligation as at the end of the year	**5,65,399**	**5,79,418**

Significant estimates: actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

	As at 31 March 2021	As at 31 March 2020
Discount rate	6.70%	7.80%
Salary growth rate	5.50%	5.50%
Retirement age	58 years	58 years
Withdrawal rates	2.00%	2.00%
Weighted average duration of defined benefit obliga	5 years	5 years

Assumptions regarding future mortality rates are based on Indian Assured Lives Mortality :- 100% of IALM (2012-14) {*PY: 100% OF IALM* (2006-08)} Ultimate as published by Insurance Regulatory and Development Authority (IRDA).

The actuarial valuation is carried out yearly by an independent actuary. The discount rate used for determining the present value of obligation under the defined benefit plan is determined by reference to market yields at the end of the reporting period on Indian Government Bonds. The currency and the term of the government bonds is consistent with the currency and term of the defined benefit obligation.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Year ended 31 March 2021	Year ended 31 March 2020
Discount rate (0.50% increase)	(30,982)	(25,072)
Discount rate (0.50% decrease)	33,954	27,365
Future salary growth (0.50% increase)	34,191	27,852
Future salary growth (0.50% decrease)	(31,462)	(25,711)

The above sensitivity analyses are based on a 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 methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(ii) *Defined contribution plan*

The Company also has certain defined contribution plan. Contributions are made to provident fund and employee state insurance scheme for employees at the spcified rate as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is Rs 226,961/- (31 March 2020: Rs 281,805/-).

(All amounts are in Indian Rupees, unless otherwise stated)

39. Financial Instrument - Fair value and risk management

A. Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financials liabilities, including their levels of in the fair vale hierarchy :

As at 31 March 2021

	Carrying amount			
	FVOCI - equity instruments	Other financial assets - amortised cost	Other financial liabilities - amortised cost	Total carrying amount
Financial assets not measured at fair value				
Trade receivables	-	12,51,92,492	-	12,51,92,492
Cash and cash equivalents	-	19,49,825	-	19,49,825
Other financial assets	-	26,56,000	-	26,56,000
	-	12,97,98,317	-	12,97,98,317
Financial liabilities not measured at fair value				
Borrowings	-	-	-	-
Trade payables	-	-	1,82,37,467	1,82,37,467
Other financial liabilities	-	-	26,89,525	26,89,525
	-	-	2,09,26,992	2,09,26,992

The Company has not disclosed the fair values for financial instruments such as trade receivables, cash and cash equivalents, other bank balances, loans, borrowings, trade payable, other financial assets and financial liabilities, because their carrying amounts are a reasonable approximation of fair value.

As at 31 March 2020

	Carrying amount			
	FVOCI - equity instruments	Other financial assets - amortised cost	Other financial liabilities - amortised cost	Total carrying amount
Financial assets not measured at fair value				
Trade receivables	-	17,03,86,426	-	17,03,86,426
Cash and cash equivalents	-	6,06,520	-	6,06,520
Loans	-	-	-	-
Other financial assets	-	11,56,000	-	11,56,000
	-	17,21,48,946	-	17,21,48,946
Financial liabilities not measured at fair value				
Borrowings	-	-	64,19,763	64,19,763
Trade payables	-	-	2,32,62,791	2,32,62,791
Other financial liabilities	-	-	31,26,408	31,26,408
	-	-	3,28,08,962	3,28,08,962

The Company has not disclosed the fair values for financial instruments such as trade receivables, cash and cash equivalents, other bank balances, loans, borrowings, trade payable, other financial assets and financial liabilities, because their carrying amounts are a reasonable approximation of fair value.

B. Measurment of fair values

Valuation techniques and significant unobservable inputs

Financial instruments measured at fair value

The company does not have any Investment.

(All amounts are in Indian Rupees, unless otherwise stated)

C. Financial risk management

The Company has exposure to the following risks arising from financial instruments :
- Credit risk
- Liquidity risk
- Market risk
- Interest risk

Risk management framework

The Company's management has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company conduct yearly risk assessment activities to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company has a system in place to ensure risk identification and ongoing periodic risk assessment is carried out. The Board of directors periodically monitors the risk assessment.

i) Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in financial loss.

The carrying amounts of financial assets represent the maximum credit risk exposure. The maximum exposure to credit risk at the reporting date was:

Particulars	As at 31 March 2021	As at 31 March 2020
Trade receivables	12,51,92,492	17,03,86,426
Cash and cash equivalents	19,49,825	6,06,520
Loans	-	-
Other financial assets	26,56,000	11,56,000

The maximum exposure to credit risk for trade receivables at the reporting date by geographic region of the Company was:

Particulars	As at 31 March 2021	As at 31 March 2020
Within India	12,51,92,492	17,03,86,426

The maximum exposure to credit risk for trade receivables, cash and cash equivalents and other bank balances at the reporting date by type of counterparty was:

Particulars	As at 31 March 2021	As at 31 March 2020
Product Marketing company	12,51,92,492	17,03,86,426
Bank balances and deposits with bank:	19,49,825	6,06,520

Trade receivables

Customer credit risk is managed as per Company's established policy, procedures and control relating to customer credit risk management. Credit risk has always been managed by the Company through credit approvals, estabilishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business.

On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairement loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account historical experience with customers.

Trade receivables are typically unsecured as the Company does not hold collateral as security. Since the Company derives it significant revenue from a related party, the Company is not exposed to significant credit risk.

The age of trade and other receivables at the reporting date was:

Particulars	As at 31 March 2021	As at 31 March 2020
Not due	3,69,52,912	2,17,44,235
0-30 days	2,21,43,029	1,97,05,914
31-90 days	2,78,09,813	2,86,75,557
more than 90 days	3,82,86,738	10,02,60,720
	12,51,92,492	**17,03,86,426**
	-	

Bank balances and deposits with banks

Credit risk from balances with banks is managed by the company's finance department as per Company's policy. Investment of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's Board of directors. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

(All amounts are in Indian Rupees, unless otherwise stated)

ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

As at 31 March 2021

	Contractual cash flows						
	Carrying amount	Total	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities							
Borrowings	-	-	-	-	-	-	-
Trade payables	1,82,37,467	1,82,37,467	1,82,37,467	-	-	-	-
Other financial liabilities	26,89,525	26,89,525	26,89,525	-	-	-	-
	2,09,26,992	2,09,26,992	2,09,26,992	-	-	-	-

As at 31 March 2020

	Contractual cash flows						
	Carrying amount	Total	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities							
Borrowings	64,19,763	64,19,763	64,19,763	-	-	-	-
Trade payables	2,32,62,791	2,32,62,791	2,32,62,791	-	-	-	-
Other financial liabilities	31,26,408	31,26,408	31,26,408	-	-	-	-
	3,28,08,962	3,28,08,962	3,28,08,962	-	-	-	-

(All amounts are in Indian Rupees, unless otherwise stated)

iii) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Market risk is attributable to all market risk sensitive financial instruments including foreign currency payables, deposits with banks and borrowings. The Company is exposed to market risk primarily related to foreign exchange rate risk and interest rate risk.

Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which purchases are denominated and the functional currency of Company. The functional currency of the Company is Indian Rupees. The Company is primarily exposed to foreign currency fluctuation between the USD and Indian Rupees

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk (based on notional amounts) as reported to the management is as follows:

	As at 31 March 2021	As at 31 March 2020
Financial liabilities		
Trade payables	-	-
	-	-

Sensitivity analysis

A 10% appreciation of the USD as indicated below, against Indian Rupees would have decreased gain by the amounts shown below:

Particulars	Profit or loss
31 March 2021	
USD (10% strengthening)	-
31 March 2020	
USD (10% strengthening)	-

A 10% depreciation of the USD against Indian Rupees would have had the equal but opposite effect on the above currency to the amounts shown above, on basis that all other variables remain constant.

(All amounts are in Indian Rupees, unless otherwise stated)

iv) Interest risk

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments was as follows

	As at 31 March 2021	As at 31 March 2020
Fixed rate instruments		
Financial assets		
Deposit with banks	-	-
	-	**-**
Variable-rate instruments		
Financial liabilities		
Borrowings	-	64,19,763
	-	**64,19,763**

Cash flow sensitivity analysis for variable-rate instruments

An increase of 100 basis points in interest rates at the reporting date would have decreased gain as at year end by the amounts shown below. This analysis assumes that all other variables remain constant.

Particulars	Profit or loss
31 March 2021	
Variable-rate instruments	-
Cash flow senstivity	**-**
31 March 2020	
Variable-rate instruments	(64,198)
Cash flow senstivity	**(64,198)**

A decrease of 100 basis points in the interest rates at the reporting date would have had equal but opposite effect on the amounts shown above, on the basis that all other variable remain constant.

40. Previous year figures have been regrouped where ever necessary.
As per our report of even date

For Batliboi & Purohit
Chartered Accountants
ICAI Firm Regn No.101048W

For and on behalf of the Board of Directors.

Kaushal Mehta
Partner
Membership No. 111749

Suresh Redhu
Chairman
DIN: 06607351

Aslam Karmali
Director
DIN: 02291530

Place: Mumbai
Date: May 25, 2021

Vikram Surendran
Director
DIN: 07322381

Forbes Aquatech Limited

Details required under Ind AS 24 on the "Related Party Disclosures" - referred in Note no. 33 forming integral part of financial statement: Notes to the financial statements for the year ended 31st March, 2021 - continued

(I) Name of related Party and nature of relationship where control exists are as under :

A Joint Venture Shareholders

Eureka Forbes Limited

Filtrex Holdings Pte Ltd.

B Enterprises that are under common control -

Forbes Facility Service (P) Ltd.

Shapoorji Pallonji And Company Private Limited (Group company of Eureka Forbes Limited)

(II) Transactions with Related Parties for the year ended 31st March 2021

Nature of Transactions	Related Party Referred to in A above ₹	Referred to in B above ₹
Purchases		
Goods and Materials	1,98,75,759	-
Services	-	-
Fixed Assets	-	-
	1,98,75,759	-
Sales		
Goods and Materials	16,48,12,118	-
Services Rendered	81,38,226	-
Fixed Assets	-	-
	17,29,50,344	-
Expenses		
Rent and other services	21,240	-
Repairs & Other Expenses	1,90,799	2,89,327
Finance Charges	-	-
Interest on ICD Taken	-	-
Bad Debts/Advances written off	-	-
Recovery of Expenses	81,897	-
Management Fees/ IT expenses	24,79,585	-
CSR contribution	-	-
	27,73,521	2,89,327
Income		
Rent and other services	-	-
Interest	-	-
Bad Debts/Advances written back	-	-
Dividend	-	-
Misc. Income	-	-
	-	-
Deposit given	10,000	-
Outstanding		
Trade Payables	-	44,844
Trade Receivables	12,51,92,377	-

Forbes Aquatech Limited

Details required under Ind AS 24 on the "Related Party Disclosures" - referred in Note no. 33 forming integral part of financial statement:Notes to the financial statements for the year ended 31st March, 2021 - continued

(I) Name of related Party and nature of relationship where control exists are as under :

A **Joint Venture Shareholders**

Eureka Forbes Limited

Filtrex Holdings Pte Ltd.

B **Enterprises that are under common control -**

Forbes Facility Service (P) Ltd.

AquaIgnis Technologies Private Limited.

Shapoorji Pallonji And Company Private Limited (Group company of Eureka Forbes Limited)

(II) Transactions with Related Parties for the year ended 31st March 2020

Nature of Transactions	Related Party	
	Referred to in A above ₹	Referred to in B above ₹
Purchases		
Goods and Materials	2,84,72,641	-
Services	-	-
Fixed Assets	-	-
	2,84,72,641	-
Sales		
Goods and Materials	27,74,81,267	-
Services Rendered	-	-
Fixed Assets	-	-
	27,74,81,267	-
Expenses		
Rent and other services	21,240	-
Repairs & Other Expenses	4,85,120	2,46,984
Recovery of Expenses	1,54,604	17,894
Management Fees/ IT expenses	23,97,797	-
CSR contribution	-	-
	30,58,761	2,64,878
Income		
Dividend	-	-
Misc. Income	54,48,820	-
	54,48,820	-
Dividend paid	-	-
Outstanding		
Trade Payables	-	25,218
Trade Receivables	17,03,80,151	-
Other Deposits Receivable	10,000	-

NAME	:	FORBES AQUATECH LIMITED
ADDRESS	:	KHASRA NO.3946, 3961 & 3962 VILLAGE MAJRI GRANT, LAL TAPPAR DEHRADUN, UTTARAKHAND
PAN NUMBER	:	AAACF7619K
DATE OF INCORPORATION	:	03-Sep-2003
ASSESSMENT YEAR	:	2021-22
FINANCIAL YEAR	:	2020-21

COMPUTATION OF INCOME

INCOME FROM BUSINESS		
Taxable Business Profit (as per working attached)		2,56,16,484
Less: Deduction under chapter VIA		-
Net Income		**2,56,16,484**
Tax due at normal rates @ 27.82% [a]	71,26,506	
MAT calculations		
Book Profit	2,46,35,872	
Tax due @ 15% @ 16.692% [b]	41,12,220	
Tax payable (Maximum of [a] or [b])	71,26,506	
Net Tax Payable	**71,26,506**	
Less: MAT Credit availed	30,14,286	
Net Tax Payable		41,12,220
Less: TDS	1,31,674	
Less: TCS	41,406	
Less: Advance Tax	29,50,000	31,23,080
Balance tax payable		9,89,140
Add: Interest u/s		
-234B	-	
-234C	-	-
Tax Payable (Net of Advance Tax) including Interest - Balance Sheet		**9,89,140**
Provision for tax - BS		41,12,220
MAT credit availed		30,14,286
Provision for tax - Profit & Loss account including MAT utilisation & Gratuity Oci.		**71,26,506**

Assessment Year : 2021-22
Previous Year : 2020-21

Computation of Taxable Income

Particulars	Amount in ₹		Amount in ₹
Profit from Business (PBT as per Profit & Loss Account)			2,46,35,872
Add: Depreciations as per books	55,52,871		
Add: Interest on Lease liabilities as per Ind AS 116	5,41,068		
Add: Expenses not allowable			
i. Expenses disallowed u/s 43B Leave Encashment	18,188		
ii. Bonus provision	-		
iii. Interest provision for MSME	-		
iv. Expenses disallowed/s 40A(7)	1,23,058		62,35,185
			3,08,71,057
Less: Depreciation as per Income Tax Act	16,09,407		
Less: Lease Rental reversed as per Ind AS 116	33,71,013		
Less: Expenses allowable			
i. Gratuity paid during the P/Y,	1,37,077		
ii. Leave encashment paid during the year	1,37,077		
iii. Expenses disallowed u/s 43B in P/Y, paid & allowed in this year	-		52,54,574
Taxable Income			2,56,16,484

Calculation of Deferred Tax

27.8200

Tax Rate 27.820%

S. No.	Reason on Timing Difference		Difference (₹)	Amount (₹)
1	Fixed assets WDV Difference			
	As per Company Law	1,76,64,508		
	As per Income Tax	91,32,647	(85,31,861)	(23,73,564)
2	Lease rentals as per Ind AS 116		6,83,132	1,90,047
3	Leave Encashment			
	Provision	2,58,762	2,58,762	71,988
4	Provision for Gratuity		5,65,399	1,57,294
Deferred Tax Asset/(Liability)				**(19,54,235)**
Opening Deferred Tax Liability				(22,27,041)
Income/(Expense) to be Charge to Profit & Loss A/c				**2,72,806**

FORBES BUMI ARMADA LIMITED
(Subsidiary Company of Forbes Campbell Finance Limited)

Financial Statements
For the year ended March 31, 2021

Independent auditor's report

To the Members of Forbes Bumi Armada Limited

Report on the audit of the financial statements

Opinion

1. We have audited the accompanying financial statements of Forbes Bumi Armada Limited ("the Company") which comprise the balance sheet as at March 31, 2021, and the statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for opinion

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

Emphasis of matter

4. We draw your attention to Note 33 to the financial statements, which describes the management's assessment of the impact of the outbreak of Coronavirus (Covid-19) on the business operations of the Company. The management believes that no adjustments are required in the financial statements as it does not impact the current financial year, however, in view of the various preventive measures taken (such as complete lock-down restrictions by the Government of India, travel restrictions etc.) and highly uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve.

   Our opinion is not modified in respect of this matter.

Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report but does not include the financial statements and our auditor's report thereon.

GAUTAM WADHERA Digitally signed by GAUTAM WADHERA Date: 2021.06.21 21:10:17 +05'30'

Price Waterhouse Chartered Accountants LLP, 252, Veer Savarkar Marg, Shivaji Park, Dadar (West), Mumbai – 400 028
T: +91 (22) 6669 1500, F: +91 (22) 66547804 / 07

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

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

6. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

7. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

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

GAUTAM WADHERA Digitally signed by GAUTAM WADHERA Date: 2021.06.21 21:10:49 +05'30'

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances; Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

10. 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.

Report on other legal and regulatory requirements

11. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

12. As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

GAUTAM WADHERA Digitally signed by GAUTAM WADHERA Date: 2021.06.21 21:11:11 +05'30'

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 31 to the financial statements;

ii. The Company did not have any long-term contracts including derivative contracts as at March 31, 2021;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2021.

iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2021.

13. There is no managerial remuneration as per provisions of section 197 read with Schedule V to the Act. Accordingly, the provisions of clause 3(xi) of the Order are not applicable to the company.

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

GAUTAM WADHERA
Digitally signed by GAUTAM WADHERA
Date: 2021.06.21 21:11:30 +05'30'

Gautam Wadhera
Partner
Membership Number: 508835
UDIN: 21508835AAAABG9588
Place: Mumbai
Date: June 21, 2021

Annexure A to Independent Auditors' Report
Referred to in paragraph 12(f) of the Independent Auditors' Report of even date to the members of Forbes Bumi Armada Limited on the financial statements for the year ended March 31, 2021

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of Forbes Bumi Armada Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing 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. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

5. 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 with reference to financial statements.

GAUTAM WADHERA
Digitally signed by GAUTAM WADHERA
Date: 2021.06.21 21:13:40 +05'30'

Price Waterhouse Chartered Accountants LLP, 252, Veer Savarkar Marg, Shivaji Park, Dadar (West), Mumbai – 400 028
T: +91 (22) 6669 1500, F: +91 (22) 66547804 / 07

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

Annexure A to Independent Auditors' Report

Referred to in paragraph 12(f) of the Independent Auditors' Report of even date to the members of Forbes Bumi Armada Limited on the financial statements for the year ended March 31, 2021

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

GAUTAM WADHERA
Digitally signed by GAUTAM WADHERA
Date: 2021.06.21 21:14:07 +05'30'

Gautam Wadhera
Partner
Membership Number: 508835

UDIN: 21508835AAAABG9588
Place: Mumbai
Date: June 21, 2021

Annexure B to Independent Auditors' Report

Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of Forbes Bumi Armada Limited on the financial statements as of and for the year ended March 31, 2021

i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

(b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.

(c) The Company does not own any immovable properties as disclosed in Note 3 of Property, plant and equipment to the financial statements. Therefore, the provisions of clause 3(i)(c) of the said Order are not applicable to the Company.

ii. The Company is in the business of rendering of services, and consequently, does not hold any inventory. Therefore, the provisions of clause 3(ii) of the said Order are not applicable to the Company.

iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.

iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.

v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing undisputed statutory dues, including income tax, provident fund, goods and service tax and other material statutory dues, as applicable, with the appropriate authorities. Also refer Note 32 to the financial statements regarding management's assessment on certain matters relating to provident fund.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of duty of customs and goods and service tax which have not been deposited on account of any dispute. The particulars of dues of income tax as at March 31, 2021 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs.)*	Period to which the amount relates	Forum where the dispute is pending
Income tax Act, 1961	Income Tax	2,943,912	AY 2010-11	Commissioner of Income tax (Appeals)

*net of amount paid under protest

GAUTAM WADHERA Digitally signed by GAUTAM WADHERA Date: 2021.06.21 21:12:26 +05'30'

Annexure B to Independent Auditors' Report
Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of Forbes Bumi Armada Limited on the financial statements for the year ended March 31, 2021

viii. As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.

ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.

x. 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, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. There is no managerial remuneration as per the provisions of Section 197 read with Schedule V to the Act. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable to the Company.

Also refer paragraph-13 of the main audit report.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the provisions of Clause 3(xiii) of the Order are not applicable to the Company.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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

GAUTAM WADHERA
Digitally signed by GAUTAM WADHERA
Date: 2021.06.21 21:12:54 +05'30'

Gautam Wadhera
Partner
Membership Number: 508835

UDIN: 21508835AAAABG9588
Place: Mumbai
Date: June 21, 2021

Forbes Bumi Armada Limited
Balance Sheet as at March 31, 2021
(All amounts in Rs. hundreds, unless otherwise stated)

	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	-	514.81
Right of use of Assets	4	96,085.12	161,608.46
Intangible assets	5	142.57	604.14
Financial assets			
i. Loans	6(c)	33,455.56	31,310.77
ii. Other financial assets	6(e)	13,042.97	12,259.41
Deferred tax assets (net)	7	5,401.36	23,238.54
Income tax assets (net)	8	43,776.30	165,619.14
Other non-current assets	9	39,689.13	41,911.23
Total non-current assets		231,593.01	437,066.50
Current assets			
Financial assets			
i. Investments	6(a)	552,908.39	1,203,526.73
ii. Trade receivables	6(b)	914,375.00	137,826.86
iii. Loans	6(c)	8,744.43	7,842.11
iv. Cash and cash equivalents	6(d)	311,505.34	19,583.44
v. Other financial assets	6(e)	705,017.67	893,183.88
Other current assets	10	34,575.83	15,896.89
Total current assets		2,527,126.66	2,277,859.91
Total assets		**2,758,719.67**	**2,714,926.41**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11(a)	550,000.00	550,000.00
Other equity			
Reserves and surplus	11(b)	1,087,458.56	928,189.20
Total equity		1,637,458.56	1,478,189.20
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Lease Liabilities	12 (a)	67,762.00	131,213.47
Employee benefits obligations	13	3,233.20	1,975.17
Total non current liabilities		70,995.20	133,188.64
Current liabilities			
Financial liabilities			
i. Lease Liabilities	12 (a)	42,873.31	40,637.19
ii. Trade payables			
a. total outstanding dues of micro and small enterprises	14(a)	-	81.00
b. total outstanding dues other than (ia) above	14(a)	48,988.37	40,119.21
iii. Other financial liabilities	14(b)	879,116.59	901,908.62
Employee benefits obligations	13	572.37	136.15
Other current liabilities	15	78,715.27	120,666.40
Total current liabilities		1,050,265.91	1,103,548.57
Total equity and liabilities		**2,758,719.67**	**2,714,926.41**

The above balance sheet should be read in conjunction with the accompanying notes.

This is the balance sheet referred to in our report of even date.

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration No. 012754N/N500016
Chartered Accountants

GAUTAM WADHERA Digitally signed by GAUTAM WADHERA Date: 2021.06.21 20:58:51 +05'30'

Gautam Wadhera
Partner
Membership No: 508835

Place: Mumbai
Date: June 21, 2021

For and on behalf of the Board of Directors

MAHESH CHELARAM TAHILYANI Digitally signed by MAHESH CHELARAM TAHILYANI Date: 2021.06.21 20:21:25 +05'30'

Mahesh Tahilyani
Director
DIN: 01423084

Venkata Subramanian Sethuraman Digitally signed by Venkata Subramanian Sethuraman Date: 2021.06.21 14:51:56 +05'30'

Venkata Sethuraman
Director
DIN: 05222601

ANKITA PRAFUL SHAH

Ankita Shah
Company Secretary
M.No. 34531; PAN: BJSPS9209P

CHANDRA KISHORE CHOUDHARY Digitally signed by CHANDRA KISHORE CHOUDHARY Date: 2021.06.21 14:35:37 +05'30'

Place: Mumbai
Date: June 21, 2021

Forbes Bumi Armada Limited
Statement of Profit and Loss for the year ended March 31, 2021
(All amounts in Rs. hundreds, unless otherwise stated)

	Notes	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from operations	16	5,293,399.93	5,113,767.31
Other income	17	50,628.67	46,445.65
Total income		**5,344,028.60**	**5,160,212.96**
Expenses			
Employee benefits expense	18	4,997,708.94	4,813,430.37
Depreciation and amortisation expense	19	43,928.43	48,987.36
Other expenses	20	63,102.48	52,251.26
Finance costs	21	11,454.72	16,571.33
Total expenses		**5,116,194.57**	**4,931,240.32**
Profit before tax		**227,834.03**	**228,972.64**
Income tax expense	22		
- Current tax		50,000.00	28,000.00
- Prior year written back (Net)		-	(1,668.80)
- Deferred tax		18,020.27	2,087.43
Total tax expense		**68,020.27**	**28,418.63**
Profit for the year		**159,813.76**	**200,554.01**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations (net)	13	(727.49)	(235.26)
Income tax relating to above	22	183.09	59.21
Other comprehensive income for the year		**(544.40)**	**(176.05)**
Total comprehensive income for the year		**159,269.36**	**200,377.96**
Earnings per equity share (Face value per share Rs. 10)			
Basic and Diluted	27	2.91	3.65

The above statement of profit and loss should be read in conjunction with the accompanying notes.

This is the Statement of profit and loss referred to in our report of even date.

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration No. 012754N/N500016
Chartered Accountants

GAUTAM WADHERA Digitally signed by GAUTAM WADHERA Date: 2021.06.21 21:00:23 +05'30'

Gautam Wadhera
Partner
Membership No: 508835

Place: Mumbai
Date: June 21, 2021

For and on behalf of the Board of Directors

MAHESH CHELARAM TAHILYANI Digitally signed by MAHESH CHELARAM TAHILYANI Date: 2021.06.21 20:22:06 +05'30'

Mahesh Tahilyani
Director
DIN: 01423084

Venkata Subramanian Sethuraman Digitally signed by Venkata Subramanian Sethuraman Date: 2021.06.21 14:52:35 +05'30'

Venkata Sethuraman
Director
DIN: 05222601

ANKITA PRAFUL SHAH

Ankita Shah
Company Secretary
M.No. 34531; PAN: BJSPS9209P

CHANDRA KISHORE CHOUDHARY Digitally signed by CHANDRA KISHORE CHOUDHARY Date: 2021.06.21 14:36:01 +05'30'

Place: Mumbai
Date: June 21, 2021

Forbes Bumi Armada Limited
Statement of cash flows for the year ended March 31, 2021
(All amounts in Rs. hundreds, unless otherwise stated)

	Notes	Year ended March 31, 2021	Year ended March 31, 2020
Cash flow from/(used in) operating activities			
Profit before tax		**227,834.03**	**228,972.64**
Adjustments for:			
Depreciation and amortisation expense	19	43,928.43	48,987.36
Finance costs	21	11,454.72	16,571.33
Dividend income	17	(19,068.50)	(47,325.74)
Fair value gain on Mutual Fund Investment	17	(12,853.13)	-
Interest income	17	(847.09)	(797.01)
Unwinding of interest on financial assets		2,222.10	2,222.10
Rent expenses on financial assets at amortised cost		-	-
Unwinding of discount on security deposits	17	(2,144.79)	(2,007.29)
Capital gain on Mutual Fund Investment	17	(4,277.38)	-
Net foreign exchange difference	17	(86.27)	(97.98)
		246,162.12	**246,525.41**
Movements in working capital:			
(Increase)/decrease in trade receivables		(776,548.14)	48,131.59
Decrease in Other financial assets		186,480.33	39,393.62
(Increase)/decrease in Other current assets		(18,678.94)	1,909.03
(Decrease) in Other current liabilities		(41,951.13)	(37,199.13)
(Decrease) in other current financial liabilities		(22,702.77)	(155,092.61)
Increase in employee benefits obligations		966.76	436.64
Increase/(decrease) in trade payables		8,788.16	(13,403.92)
Cash generated from/(used in) operating activities		**(417,483.61)**	**130,700.63**
Income taxes refund/(paid)		71,842.84	(119,049.12)
Net cash inflow/(outflow) from operating activities (A)		**(345,640.77)**	**11,651.51**
Cash flows from/(used in) investing activities			
Payments for acquisition of property, plant and equipment	3	(50.74)	-
Proceeds from sale of investments		975,247.63	467,431.50
Purchase of Investment		(307,498.78)	(577,325.74)
Dividend received	17	19,068.50	47,325.74
Interest received	17	847.09	797.01
Net cash inflow /(outflow) from/(used in) investing activities (B)		**687,613.70**	**(61,771.49)**
Cash flows from/(used in) from Financing activities			
Principle payment of lease liabilities		(38,593.32)	(37,057.84)
Interest payment lease liabilities		(11,319.82)	(16,554.87)
Finance cost paid		(134.90)	(16.46)
Net cash outflow from/(used in) Financing activities (C)		**(50,048.04)**	**(53,629.17)**
Net increase/ (decrease) in cash and cash equivalents (A+B+C)		**291,924.89**	**(103,749.15)**
Cash and cash equivalents at the beginning of the financial year		19,583.44	123,334.52
Effects of exchange rate changes on cash and cash equivalents		(2.99)	(1.93)
Cash and cash equivalents at end of the year	6(d)	**311,505.34**	**19,583.44**
Cash and cash equivalents comprise of :			
Cash on hand		306.59	150.09
Balance with Banks			
In current accounts		311,198.75	19,433.35
		311,505.34	**19,583.44**

The above statement of cash flows should be read in conjunction with the accompanying notes.

This is the Statement of cash flows referred to in our report of even date.

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration No. 012754N/N500016
Chartered Accountants

GAUTAM WADHERA Digitally signed by GAUTAM WADHERA Date: 2021.06.21 21:01:59 +05'30'

Gautam Wadhera
Partner
Membership No: 508835

Place: Mumbai
Date: June 21, 2021

For and on behalf of the Board of Directors

MAHESH CHELARAM TAHILYANI Digitally signed by MAHESH CHELARAM TAHILYANI Date: 2021.06.21 20:22:48 +05'30'

Mahesh Tahilyani
Director
DIN: 01423084

Venkata Subramanian Sethuraman Digitally signed by Venkata Subramanian Sethuraman Date: 2021.06.21 14:53:04 +05'30'

Venkata Sethuraman
Director
DIN: 05222601

ANKITA PRAFUL SHAH

Ankita Shah
Company Secretary
M.No. 34531; PAN: BJSPS9209P

CHANDRA KISHORE CHOUDHARY Digitally signed by CHANDRA KISHORE CHOUDHARY Date: 2021.06.21 14:36:29 +05'30'

Place: Mumbai
Date: June 21, 2021

Forbes Bumi Armada Limited
Statement of changes in equity
(All amounts in Rs. hundreds, unless otherwise stated)

A. Equity share capital

	Notes	Amount
As at April 01, 2019		550,000.00
Changes in equity share capital	11(a)	-
As at March 31, 2020		550,000.00
Changes in equity share capital	11(a)	-
As at March 31, 2021		**550,000.00**

B. Other equity

		Reserves and Surplus		
		Retained earnings	**Other Comprehensive Income**	**Total**
Balance as at April 01, 2019	11(b)	726,929.96	881.28	727,811.24
Profit for the year		200,554.01	-	200,554.01
Other Comprehensive Income for the year		-	(176.05)	(176.05)
Total Comprehensive Income for the year		**200,554.01**	**(176.05)**	**200,377.96**
Balance as at March 31, 2020		**927,483.97**	**705.23**	**928,189.20**
Balance as at April 01, 2020	11(b)	927,483.97	705.23	928,189.20
Profit for the year		159,813.76	-	159,813.76
Other Comprehensive Income for the year		-	(544.40)	(544.40)
Total Comprehensive Income for the year		**159,813.76**	**(544.40)**	**159,269.36**
Balance as at March 31, 2021		**1,087,297.73**	**160.83**	**1,087,458.56**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

This is the Statement of changes in equity referred to in our report of even date.

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration No. 012754N/N500016
Chartered Accountants

GAUTAM WADHERA Digitally signed by GAUTAM WADHERA Date: 2021.06.21 21:03:51 +05'30'

Gautam Wadhera
Partner
Membership No: 508835

Place: Mumbai
Date: June 21, 2021

For and on Behalf of the Board of Directors

MAHESH CHELARAM TAHILYANI Digitally signed by MAHESH CHELARAM TAHILYANI Date: 2021.06.21 20:23:26 +05'30'

Mahesh Tahilyani
Director
DIN: 01423084

Venkata Subramanian Sethuraman Digitally signed by Venkata Subramanian Sethuraman Date: 2021.06.21 14:53:37 +05'30'

Venkata Sethuraman
Director
DIN: 05222601

ANKITA PRAFUL SHAH

Ankita Shah
Company Secretary
M.No. 34531; PAN: BJSPS9209P

CHANDRA KISHORE CHOUDHARY Digitally signed by CHANDRA KISHORE CHOUDHARY Date: 2021.06.21 14:36:53 +05'30'

Place: Mumbai
Date: June 21, 2021

Background

Forbes Bumi Armada Limited (the 'Company') is a joint venture between Forbes Campbell Finance Limited and Bumi Armada (Singapore) Pte. Limited. Refer Note 11(a) for shareholding details. The Company has been granted a Recruitment and Placement License from the Director General Shipping and accordingly provides manning services.

The Company is incorporated and domiciled in India. The registered address of the Company is Forbes Building, Charanjit Rai Marg, Fort, Mumbai-400001.

These financial statements were approved by the board of directors on June 21, 2021.

1. Significant Accounting Policies

(a) Basis of preparation

(i) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

(ii) Going Concern

The Directors of the Company have assessed its liquidity position (including the impact of COVID-19) and its possible sources of funds. The Board of Directors are confident of the Company's ability to meet its obligations in the next twelve months from the balance sheet date. Accordingly, these financial statements have been prepared on a going concern basis.

(iii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities (including derivative instruments) that are measured at fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

The assets and liabilities reported in the balance sheet are classified on a "current/non-current basis", with separate reporting of assets held for sale and liabilities. Current assets, which include cash and cash equivalents, are assets that are intended to be realised, sold or consumed during the normal operating cycle of the Company or in the 12 months following the balance sheet date; current liabilities are liabilities that are expected to be settled during the normal operating cycle of the Company or within the 12 months following the close of the financial year.

(b) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee, which is the functional and presentation currency of the Company.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. These gains/ (losses) are presented in the Statement of Profit and Loss on a net basis within other gains/ (losses).

(c) Revenue recognition

The Company earns revenue from providing manning services. Revenue is recognized upon transfer of control of promised services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those services.

The Company raises monthly invoice toward manpower charges and other allied charges as and when due based on the terms of the contract as at the year end, the unbilled amounts are disclosed as "unbilled revenue". The Service income represents markup-up earned on support services provided to customers.

Revenue from manning services and support services is provided over the period of time, where it is received and consumed simultaneously by the customers and accordingly revenue is recognized over the period of performance and in the accounting period in which the services are rendered.

(d) Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

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 is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(e)Leases

Leases are recognised as right-of-use assets and a corresponding liability at the date at which the leases asset is available for use by the company. Contracts may contain lease and non-lease component. The company allocates the consideration in the contract to lease and non-lease component based on their relative standalone prices.

Assets and liabilities are initially measured on the 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 incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date.
- amounts expected to be payable by the company under residual value guarantees.
- the exercise price of purchase option if the company is reasonably certain to exercise the option and
- payment 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 options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If the rate cannot be readily determined, which is generally the case for leases in the company, the lessee's incremental borrowing rate is used, being the rate that the indivi dual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in similar economic environment with similar terms, security and conditions.

In terms of our report of even date attached

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with Risk- free interest rate adjusted for credit risk for leases held by the Company, which doesn't have recent third-party financing, and
- makes adjustments specific to the lease e.g. term, security etc

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit and loss over the lease period so as to produce a constant periodic 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 the initial measurement of lease liability
- Any lease payments made at or before the commencement date less any lease incentives received
- Any initial direct cost, and
- Restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on 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 and all the leases of low value assets are recognised as expense on a straight-line basis in profit and loss. Short term leases are leases with a term of lease term of 12 months or less.

(f) Impairment of assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(g) 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.

(h) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

(i) Investments and other financial assets

(i) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income.

(ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(iv) Derecognition of financial assets

A financial asset is derecognised only when

- 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.

(v) Income recognition

Interest income on financial assets at amortised cost is calculated using the effective interest method is recognised in the statement of profit and loss as a part of other income.

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

(j) Property, plant and equipment

All items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

<u>Depreciation methods, estimated useful lives and residual value</u>

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives which is as prescribed under Schedule II of the Companies Act, 2013, as follows:

Assets	**Useful life**
Computer Hardware	3 years
Office Equipment	5 years

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/ (losses).

(k) Intangible assets

Intangible assets are stated at acquisition cost, net of accumulated amortisation. Intangible assets are amortised on a straight line basis over their estimated useful lives. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss. The amortisation rates used are:

Asset	**Useful life**
Computer Software	6 years

(l) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 to 45 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(m) Provisions and contingent liabilities

Provisions: Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

In case some or all of the expenditure required to settle the provision is virtually certain to be reimbursed by another party, the reimbursement is recognised as a separate asset. In the Statement of Profit and Loss, the expense related to the provision is presented net of the amount recognized for the reimbursement.

Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which 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 a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

(n) Employee benefits

(i) Short-term obligations

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 amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Post-employment obligations

The Company operates the following post-employment schemes:

(a) defined benefit plan such as gratuity
(b) defined contribution plans such as provident fund

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity 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 annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR 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 profit or loss as past service cost.

Defined contribution plan

The Company pays provident fund contributions to publically administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contributions plans and the contributions are recognised as employee benefits expense when they are due.

(o) Contributed Equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(p) Dividends

Provision is made for the amount of any dividend declared, been appropriately authorized 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.

(q) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

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

- the after 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.

(r) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest hundreds as per the requirement of Schedule III, unless otherwise stated.

2. Critical Estimates and Judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal actual results. There are no critical estimates and judgements ascertained by the management that may materially impact the results of the financial statements.

In terms of our report of even date attached

3. Property, plant and equipment

Particulars	Office equipment	Computers	Total
Year ended March 31, 2020			
Gross carrying amount			
Opening gross carrying amount	6,121.02	2,721.97	8,842.99
Additions	-	-	-
Closing gross carrying amount	**6,121.02**	**2,721.97**	**8,842.99**
Accumulated depreciation			
Opening accumulated depreciation	4,380.46	2,721.97	7,102.43
Depreciation charge during the year	1,225.75	-	1,225.75
Closing accumulated depreciation	**5,606.21**	**2,721.97**	**8,328.18**
Net carrying amount	**514.81**	**-**	**514.81**
Year ended March 31, 2021			
Gross carrying amount			
Opening gross carrying amount	6,121.02	2,721.97	8,842.99
Additions	-	50.74	50.74
Closing gross carrying amount	**6,121.02**	**2,772.71**	**8,893.73**
Accumulated depreciation			
Opening accumulated depreciation	5,606.21	2,721.97	8,328.18
Depreciation charge during the year	514.81	50.74	565.55
Closing accumulated depreciation	**6,121.02**	**2,772.71**	**8,893.73**
Net carrying amount	**-**	**-**	**-**

4. Leases

Right of use of Assets

Particulars	Leasehold premises
Year ended March 31, 2020	
Gross carrying amount as on April 01, 2019	
Opening gross carrying amount	208,908.50
Closing gross carrying amount	**208,908.50**
Accumulated depreciation as on April 01, 2019	
Opening accumulated depreciation	-
Depreciation charge during the year	47,300.04
Closing accumulated depreciation	**47,300.04**
Net carrying amount	**161,608.46**

Particulars	Leasehold premises
Year ended March 31, 2021	
Gross carrying amount	
Opening gross carrying amount	208,908.50
Reduction of value	(22,622.03)
Closing gross carrying amount	**186,286.47**
Accumulated depreciation	
Opening accumulated depreciation	47,300.04
Depreciation charge during the year	42,901.31
Closing accumulated depreciation	**90,201.35**
Net carrying amount	**96,085.12**

5. Intangible assets

Particulars	**Computer Software**
Year ended March 31, 2020	
Gross carrying amount	
Opening gross carrying amount	2,763.00
Disposal	-
Closing gross carrying amount	**2,763.00**
Accumulated amortisation	
Opening accumulated amortisation	1,697.29
Amortisation charge for the year	461.57
Disposal	-
Closing accumulated amortisation	**2,158.86**
Net carrying amount	**604.14**
Year ended March 31, 2021	
Gross carrying amount	
Opening gross carrying amount	2,763.00
Disposal	-
Closing gross carrying amount	**2,763.00**
Accumulated amortisation	
Opening accumulated amortisation	2,158.86
Amortisation charge for the year	461.57
Disposal	-
Closing accumulated amortisation	**2,620.43**
Net carrying amount	**142.57**

In terms of our report of even date attached

6. Financial assets

	As at March 31, 2021	As at March 31, 2020
6(a) Current investments		
Investment in mutual funds		
Unquoted - Carried at Fair value through profit & loss A/c		
100208.14(PY: 355277.17) Units in Aditya Birla Capital Mutual Fund - Cash plus daily dividend Plan Reinvestment	100,403.55	355,969.96
90224.16 (PY: 197089.86) Units in ICICI Prudential Mutual Fund - Liquid plan daily dividend	90,357.87	197,381.95
9843.92 (PY : 29961.16) Units in HDFC Liquid Fund - Dividend daily reinvest	100,390.30	305,549.94
14859.65(PY : 20574.25) Units in SBI -Magnum Ultra Short Duration Fund Regular Daily Dividend	261,756.67	344,624.88
Total (mutual funds)	552,908.39	1,203,526.73
Total current investments	**552,908.39**	**1,203,526.73**
Aggregate amount of unquoted investments	552,908.39	1,203,526.73

	As at March 31, 2021	As at March 31, 2020
6(b) Trade receivables		
Trade receivables from related parties (Refer note 26)	914,375.00	137,826.86
Total receivables	**914,375.00**	**137,826.86**
Current portion	914,375.00	137,826.86
Non-current portion	-	-
Break-up of security details		
Trade receivables considered good - Unsecured	914,375.00	137,826.86
Total	**914,375.00**	**137,826.86**

6(c) Loans

	As at March 31, 2021		As at March 31, 2020	
	Current	Non-current	Current	Non-current
Security deposits	8,744.43	33,455.56	7,842.11	31,310.77
	8,744.43	**33,455.56**	**7,842.11**	**31,310.77**

6(d) Cash and cash equivalents

	As at March 31, 2021	As at March 31, 2020
Balances with banks		
in current accounts	311,198.75	19,433.35
Cash on hand	306.59	150.09
Total cash and cash equivalents	**311,505.34**	**19,583.44**

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods.

6(e) Other financial assets

	As at March 31, 2021		As at March 31, 2020	
	Current	Non-current	Current	Non-current
Long term deposits with banks with the maturity more than 12 months (held as lien against bank guarantee)	-	13,042.97	-	12,259.41
Unbilled revenue (Refer note 26)	705,017.67	-	893,183.88	-
Total other financial assets	**705,017.67**	**13,042.97**	**893,183.88**	**12,259.41**

7. Deferred tax assets

	As at March 31, 2021	As at March 31, 2020
Tax effect of items constituting deferred tax assets		
Disallowances under Section 40(a)(ia), 40A(7) and 43B of the Income Tax Act, 1961	957.79	20,030.29
Timing difference between book balance and balance as per Income Tax Act, 1961 for property, plant and equipment	665.43	533.80
Lease Liabilities	3,661.99	2,577.76
Other timing differences	116.15	96.69
Total deferred tax assets	**5,401.36**	**23,238.54**
Tax effect of items constituting deferred tax liabilities		
Other timing differences	-	-
Total deferred tax liabilities	-	-
Net deferred tax assets	**5,401.36**	**23,238.54**

Movement in deferred tax assets

	Disallowances u/s 40A(7) and 43B	Timing difference between book balance and balance as per Income Tax Act, 1961	Lease Liabilities	Other	Grand Total
At 1 April 2019	25,021.15	292.73	-	(47.12)	25,266.76
(Charged)/credited:					
- to profit or loss	(5,050.07)	241.07	2,577.76	143.81	(2,087.43)
- to other comprehensive income	59.21	-	-	-	59.21
As 31 March 2020	**20,030.29**	**533.80**	**2,577.76**	**96.69**	**23,238.54**
(Charged)/credited:					
- to profit or loss	(19,255.59)	131.63	1,084.23	19.46	(18,020.27)
- to other comprehensive income	183.09	-	-	-	183.09
As 31 March 2021	**957.79**	**665.43**	**3,661.99**	**116.15**	**5,401.36**

	As at March 31, 2021	As at March 31, 2020
8. Income tax assets (Net)		
Non-current tax assets		
Opening balance	375,513.53	292,999.99
Less: Refund received	(168,174.03)	-
Add:tax paid (including tax deducted at source)	96,331.19	119,049.12
Less:Reclassification of balance with government authorities	-	(36,535.58)
Closing balance	**303,670.69**	**375,513.53**
Current tax liabilities		
Opening balance	209,894.39	183,563.19
Add:Current tax payable for the year	50,000.00	26,331.20
Closing balance	**259,894.39**	**209,894.39**
Total Income tax assets (net)	**43,776.30**	**165,619.14**
9. Other non-current assets		
Prepaid expenses	3,153.55	5,375.65
Balance with government authorities (Amount paid under protest)	36,535.58	36,535.58
Total non-current assets	**39,689.13**	**41,911.23**
10. Other current assets		
Advance to staff	13,423.77	-
Advance to vendors	81.07	-
Balances with government authorities	450.00	450.00
Prepaid expenses	20,620.99	15,446.89
Total other current assets	**34,575.83**	**15,896.89**

In terms of our report of even date attached

11. Equity share capital and other equity

11(a) Equity share capital

Authorised equity share capital	Par value of share (Amount in Rs)	Number of shares	Amount
As at April 01, 2019	10	10,000,000	1,000,000.00
Increase during the year		-	-
As at March 31, 2020		**10,000,000**	**1,000,000.00**
Increase during the year		-	-
As at March 31, 2021		**10,000,000**	**1,000,000.00**
(i) Movement in equity share capital (issued, subscribed and paid up capital)			
As at April 01, 2019	10	5,500,000	550,000.00
Shares issued during the year		-	-
As at March 31, 2020		**5,500,000**	**550,000.00**
Shares issued during the year		-	-
As at March 31, 2021		**5,500,000**	**550,000.00**

Terms and rights attached to equity shares
The Company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(ii) Details of shareholders holding more than 5% shares in the Company, which are also the shareholder of the company

	As at March 31, 2021		As at March 31, 2020	
	Number of shares	**% holding**	**Number of shares**	**% holding**
Forbes Campbell Finance Limited and Nominees	2,805,000	51%	2,805,000	51%
Bumi Armada (Singapore) Pte. Ltd.	2,695,000	49%	2,695,000	49%
	5,500,000		5,500,000	

11(b) Reserves and surplus

	As at March 31, 2021	As at March 31, 2020
Retained earnings	1,087,458.56	928,189.20
Total Reserves and Surplus	**1,087,458.56**	**928,189.20**

	As at March 31, 2021	As at March 31, 2020
Retained earnings		
Opening balance	928,189.20	727,811.24
Net profit for the year	159,813.76	200,554.01
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurement of post-employment benefit obligation, net of tax	(544.40)	(176.05)
Closing balance	**1,087,458.56**	**928,189.20**

In terms of our report of even date attached

12(a) Lease Liabilities	As at March 31, 2021	As at March 31, 2020
Current Liabilities	42,873.31	40,637.19
Non Current Liabilities	67,762.00	131,213.47
	110,635.31	**171,850.66**

The Following is the movement in lease liabilities during the year ended March 31,2021.

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance	171,850.66	208,908.50
Finance cost accrued during the period	11,319.82	16,554.87
Payment of Lease Liabilities	(49,913.14)	(53,612.71)
Reduction	(22,622.03)	-
Closing Balance	**110,635.31**	**171,850.66**

12(b). Net debt reconciliation

Particulars	As at March 31, 2021	As at March 31, 2020
Cash and cash equivalents	311,505.34	19,583.44
Liquid investments	552,908.39	1,203,526.73
Lease liabilities	(110,635.31)	(171,850.66)
Net debt	**753,778.42**	**1,051,259.51**

Particulars	Other assets		Lease obligations	Total
	Cash and Bank	Liquid investments		
Net debt as at March 31, 2019	**123,334.52**	**1,093,632.49**	-	**1,216,967.01**
Recognised on adoption of ind AS 116 (refer note 31)			(208,908.50)	**(208,908.50)**
Net debt as at April 1, 2019 (restated)	**123,334.52**	**1,093,632.49**	**(208,908.50)**	**1,008,058.51**
cash flow	(103,749.15)	109,894.24	37,057.84	43,202.93
Foreign exchange adjustment	(1.93)			(1.93)
Interest expense			(16,554.87)	(16,554.87)
Interest paid	-	-	16,554.87	16,554.87
Net debt as at March 31, 2020	**19,583.44**	**1,203,526.73**	**(171,850.66)**	**1,051,259.51**
Cash flow	291,924.89	(650,618.34)	38,593.32	(320,100.13)
Foreign exchange adjustment	(2.99)	-	-	(2.99)
Interest expense	-	-	(11,319.82)	(11,319.82)
Interest paid	-	-	11,319.82	11,319.82
Modification of lease liabilities (Refer note 30)			22,622.03	22,622.03
Net debt as at March 31, 2021	**311,505.34**	**552,908.39**	**(110,635.31)**	**753,778.42**

In terms of our report of even date attached

13. Employee benefits obligations

	As at March 31, 2021			As at March 31, 2020		
	Current	Non-current	Total	Current	Non-current	Total
Leave obligation	359.44	-	359.44	8.08	-	8.08
Gratuity	212.93	3,233.20	3,446.13	128.07	1,975.17	2,103.24
Total provisions	572.37	3,233.20	3,805.57	136.15	1,975.17	2,111.32

(a) Leave obligations

The leave obligations cover the Company's liability for earned leave.

(b) Post-employment obligations - Gratuity

The Company provides for gratuity for 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.

(c) Defined contribution plans

The Company also has certain defined contribution plans. Contributions are made to Provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the Government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the year towards defined contribution plan is Rs. 2,841.84 (March 31, 2020: Rs. 871.17).

(i) The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

	Present Value of Obligation
Balance as at April 01, 2019	**1,348.54**
Current service cost	420.78
Interest expense/(income)	98.66
Total amount recognised in profit or loss	**519.44**
Remeasurements	
(Gain)/loss from change in financial assumptions	189.48
Experience (gains)/losses	45.78
Total amount recognised in other comprehensive income	**235.26**
Balance as at March 31, 2020	**2,103.24**
Balance as at April 01, 2020	**2,103.24**
Current service cost	481.83
Interest expense/(income)	133.57
Total amount recognised in profit or loss	**615.40**
Remeasurements	
(Gain)/loss from change in financial assumptions	41.53
Experience (gains)/losses	685.96
Total amount recognised in other comprehensive income	**727.49**
Balance as at March 31, 2021	**3,446.13**

(ii) Significant estimates: Actuarial assumptions and sensitivity analysis

The significant actuarial assumptions were as follow :

	March 31, 2021	March 31, 2020
Discount rate	6.43%	6.55%
Salary growth rate	10%	10%

(iii) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Change in assumption		Impact on defined benefit obligation					
			Increase in assumption			Decrease in assumption		
	March 31, 2021	March 31, 2020	Increase/ Decrease	March 31, 2021	March 31, 2020	Increase/ Decrease	March 31, 2021	March31, 2020
Discount rate	1%	1%	Decrease to	3,123.03	1,902.65	Increase to	3,825.54	2,341.72
Salary growth rate	1%	1%	Increase to	3,794.40	2,322.00	Decrease to	3,142.36	1,914.76

The above sensitivity analyses are based on a 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 methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period .

(iv) Defined benefit liability and employer contributions

The weighted average duration of the defined benefit obligation is 7.97 years (March 31, 2020: 8.31 years). The expected maturity analysis of undiscounted gratuity is as follows:

	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
March 31, 2021	212.93	210.87	693.69	1,347.06	2,464.55
March 31, 2020	128.07	163.59	480.50	767.84	1,540.00

		As at March 31, 2021	As at March 31, 2020
14.	**Financial liabilities**		
14(a)	**Trade payables**		
	Trade payables: micro and small enterprises (Refer note below & note 29)	-	81.00
	Trade payables: others	36,896.78	23,647.21
	Trade payables to related parties (Refer note 26 d)	12,091.59	16,472.00
	Total trade payables	**48,988.37**	**40,200.21**

Note:

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on request made by the Company. There are no overdue principal amounts/ interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payments made during the year or brought forward from previous year.

		As at March 31, 2021	As at March 31, 2020
14(b)	**Other financial liabilities**		
	Employee benefits payable	879,116.59	901,908.62
	Total other financial liabilities	**879,116.59**	**901,908.62**
15.	**Other current liabilities**		
	Statutory dues including provident fund and tax deducted at source	78,715.27	120,666.40
	Total other current liabilities	**78,715.27**	**120,666.40**

	Year ended March 31, 2021	Year ended March 31, 2020
16. Revenue from operations		
Revenue from contracts with customers		
Income from manpower services	5,268,950.86	5,086,516.63
Other operating revenue		
Service income	24,449.07	27,250.68
Total revenue from operations	**5,293,399.93**	**5,113,767.31**
17. Other income and other gains/(losses)		
Dividend income from investments in mutual	19,068.50	47,325.74
Fair value gain on Mutual Fund Investment	12,853.13	-
Capital gain on Mutual Fund Investment	4,277.38	-
Interest Income	847.09	797.01
Unwinding of discount on security deposits	2,144.79	2,007.29
Interest on income tax refund	11,753.28	-
Other income	2,363.92	571.46
Net foreign exchange differences	(2,679.42)	(4,255.85)
Total other income	**50,628.67**	**46,445.65**
18. Employee benefits expense		
Salaries, wages and bonus	4,994,251.70	4,811,987.12
Contribution to provident fund (Refer note 13)	2,841.84	871.17
Gratuity (Refer note 13)	615.40	519.44
Staff welfare expenses	-	52.64
Total employee benefits expense	**4,997,708.94**	**4,813,430.37**
19. Depreciation and amortisation expense		
Depreciation of property, plant and equipment (Refer note 3)	565.55	1,225.75
Depreciation of ROU of Assets (Refer note 4)	42,901.31	47,300.04
Amortisation of intangible assets (Refer note 5)	461.57	461.57
Total depreciation and amortisation expense	**43,928.43**	**48,987.36**
20. Other expenses		
Rent		
Unwinding of interest on account of security deposits	2,222.10	2,222.12
Insurance	1,990.84	957.09
Brokerage and commission	1,200.00	-
Travel and conveyance	308.68	75.15
Charity & Donation	130.00	250.00
Directors fees	1,100.00	900.00
Payment to auditors		
Audit Fee	8,000.00	8,000.00
Tax audit Fee	1,000.00	1,000.00
Others - Reimbursement of expenses	55.00	436.11
Legal and professional fees	20,975.19	10,486.07
IT Expenses	17,129.05	14,985.05
Communication charges	1,618.29	1,494.14
Bank charges	782.44	658.35
Electricity charges	5,697.00	9,165.70
Miscellaneous expenditure	893.89	1,621.48
Total other expenses	**63,102.48**	**52,251.26**
21. Finance costs		
Interest on statutory dues	134.90	16.46
Interest on lease liabilities	11,319.82	16,554.87
Total finance cost	**11,454.72**	**16,571.33**

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	Year ended March 31, 2021	Year ended March 31, 2020
22. Income tax expense		
Current tax:		
Current tax on profits for the year	50,000.00	28,000.00
Excess current tax provision of earlier years reversed	-	(1,668.80)
Total current tax expense	**50,000.00**	**26,331.20**
Deferred tax:		
(Increase) / Decrease in deferred tax assets - Statement of Profit and Loss	18,020.27	2,087.43
(Increase)/ Decrease in deferred tax assets - Other Comprehensive Income	(183.09)	(59.21)
Total deferred tax expense/(benefit)	17,837.18	2,028.22
Income tax expense	**67,837.18**	**28,359.42**

(a) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

	Year ended March 31, 2021	Year ended March 31, 2020
Profit before taxes	227,834.03	228,972.64
Tax amount at the rate of Indian tax rate of 25.168%	**57,341.27**	**57,627.83**
Tax effect of expenses/(income) which are not deductible (taxable) in calculating taxable income:		
- Interest on statutory dues	6.78	-
- Disallowance of expense under Section 14A	-	2,870.69
- Charity and donation expense disallowed	32.72	62.92
- Other items	1,130.60	3,420.49
Dividend Income exempt	-	(11,910.94)
Difference in future tax rate on deferred tax	-	(2,408.61)
Items reverse in which no deferred tax to be realised	9,325.81	(19,634.16)
Adjustment of current tax of previous periods	-	(1,668.80)
	67,837.18	**28,359.42**

In terms of our report of even date attached

23. Fair value measurements

23(a) Financial instruments by category

	As at March 31, 2021		As at March 31, 2020	
	FVPL	Amortised cost	FVPL	Amortised cost
Financial assets				
Investments in mutual funds	552,908.39	-	1,203,526.73	-
Trade receivables	-	914,375.00	-	137,826.86
Unbilled Revenue	-	705,017.67	-	893,183.88
Cash and cash equivalents	-	311,505.34	-	19,583.44
Security deposits	-	42,199.99	-	39,152.88
Long term deposits with banks with the maturity more than 12 months	-	13,042.97	-	12,259.41
Total financial assets	**552,908.39**	**1,986,140.97**	**1,203,526.73**	**1,102,006.47**
Financial liabilities				
Trade payables	-	48,988.37	-	40,200.21
Payable to employees	-	879,116.59	-	901,908.62
Total financial liabilities	-	**928,104.96**	-	**942,108.83**

23(b) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements at March 31, 2021	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial instruments at FVPL					
Investment in mutual funds	6(a)	-	552,908.39	-	552,908.39
Total financial assets		-	**552,908.39**	-	**552,908.39**

Financial assets and liabilities measured at fair value - recurring fair value measurements at March 31, 2020	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial instruments at FVPL					
Investment in mutual funds	6(a)	-	1,203,526.73	-	1,203,526.73
Total financial assets		-	**1,203,526.73**	-	**1,203,526.73**

Financial assets and liabilities which are measured at amortised cost for which fair values are disclosed at March 31, 2021	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Security deposits	6(c)	-	-	42,199.99	42,199.99
Total financial assets		-	-	**42,199.99**	**42,199.99**

Financial assets and liabilities which are measured at amortised cost for which fair values are disclosed at March 31, 2020	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Security deposits	6(c)	-	-	39,152.88	39,152.88
Total financial assets		-	-	**39,152.88**	**39,152.88**

23(c) Valuation processes

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. There are no items falling under level 1.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

23(d) Fair value of financial assets and liabilities measured at amortised cost

Particulars	As at March 31, 2021		As at March 31, 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Security deposits	42,199.99	42,199.99	39,152.88	39,152.88
Total financial assets	**42,199.99**	**42,199.99**	**39,152.88**	**39,152.88**

The carrying amounts of trade receivables, unbilled revenue, long term deposit with bank, cash and cash equivalents, trade payables and payable to employees are considered to be the same as their fair values, due to their short-term nature.

The fair values for security deposits were calculated based on cash flows discounted using a current fixed deposit rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs, including counterparty credit risk.

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24. Financial risk management

Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Company. The management team then establishes the detailed policies such as risk identification and measurement and exposure limits.

(a) Credit risk

Credit risk arises from cash and cash equivalents and trade receivables. The Company only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

The Company adopts the policy of dealing only with related parties and obtaining sufficient security where appropriate to mitigate credit risk.
Credit risk is the risk of financial loss to the Company if a customer fails to meet its contractual obligations on cash and cash equivalents. The maximum exposure to credit risk is represented by the carrying values of the Company's financial assets.

Cash equivalents and investments
The Company limits its exposure to credit risk through dealing with well-established financial institutions with high credit standing, and thus management does not expect any counterparty to fail to meet its obligations. The Company does not consider there to be any significant concentration of credit risk in respect of which adequate impairment has not been raised.

Trade receivables
The Company has entered into a contract with two customers and is generating all it's revenue from the said customers. Based on the management's assessment considering the customer's market capitalisation and past history, the risk of default is low.

The Company does not have any collateral in respect of trade receivables.

The Company adopts the policy of dealing only with related parties and obtaining sufficient security where appropriate to mitigate credit risk.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The risk is managed through cash flow forecasts and the optimisation of daily cash management.

The table below analyses the Company's non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

For the year ended March 31, 2021

Contractual maturities of financial liabilities	Upto 1 year	More than 1 year	Total
Trade and other payables	48,988.37	-	48,988.37
Other financial liabilities	879,116.59	-	879,116.59

For the year ended March 31, 2020

Contractual maturities of financial liabilities	Upto 1 year	More than 1 year	Total
Trade and other payables	40,200.21	-	40,200.21
Other financial liabilities	901,908.62	-	901,908.62

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Foreign currency risk exposure:
The company exposure to foreign currency risk at the end of the reporting period expressed in INR , are as follows

	31 March 2021 USD	31 March 2020 USD
Financial Assets		
Trade Receivable	4,299.90	590.40

	31 March 2021 USD	31 March 2020 USD
Financial liabilities		
Trade Payables	-	-
Other financial liabilities	-	85.00

In terms of our report of even date attached

24(c) Financial risk management (continued)

(ii) Currency risk

The Company's business operations are not exposed to significant currency risks except for certain amounts due to one offshore employee.

(iii) Interest rate risk
The Company is exposed to interest rate risk on its bank deposits.

25. Capital risk

(a) Risk management
The Company's objectives when managing capital are to:

safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
maintain an optimal capital structure to reduce cost of capital.

The Company's capital structure consists of only equity share capital and has no debts which suggests that there is no risk for management of capital.

(b) Dividends
The Company has not declared dividends in the current reporting year as well as prior years.

26. Related party transactions

26(a) As per Indian Accounting Standard 24 'Related Party Transactions' as prescribed by Companies (Indian Accounting Standards) Rules, 2015, the Company's related parties and transactions are disclosed below:

26(b) A) Parties where control exists:

Joint venturer

	Place of Business	Percentage of share holding	
		As at March 31, 2021	As at March 31, 2020
Forbes Campbell Finance Limited	India	51%	51%
Bumi Armada (Singapore) Pte Ltd.	Singapore	49%	49%

B) Other related parties with whom transactions have taken place during the year/ closing balance existed at year end :

Ultimate parent
Shapoorji Pallonji & Company Private Limited
Bumi Armada Berhad

Entities under common control of joint venture
Shapoorji Pallonji Bumi Armada Offshore Private Limited
SP Armada Oil Exploration Private Limited
Forbes & Company Limited
Shapoorji Pallonji Oil & Gas Pvt Ltd
SP Armada Offshore Private Limited
Forvol International Service Limited
Armada 98/2 Pte Ltd
Shapoorji Pallonji Armada Oil & Gas Service Private Limited

26(c) Transactions with related parties

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Travelling Expenses		
Forvol International Service Limited	-	2,657.30
IT Expenses		
SP Armada Oil Exploration Private Limited	17,129.05	14,200.00
Income from manpower services		
Armada 98/2 Pte Ltd	238,455.08	23,537.46
Shapoorji Pallonji Armada Oil & Gas Service Private Limited	1,217,951.09	-
Shapoorji Pallonji Bumi Armada Offshore Private Limited	1,172,364.40	2,338,261.81
SP Armada Oil Exploration Private Limited	2,640,180.29	2,724,717.36
Service Income		
Armada 98/2 Pte Ltd	2,619.17	1,544.22
Shapoorji Pallonji Armada Oil & Gas Service Private Limited	5,943.40	-
Shapoorji Pallonji Bumi Armada Offshore Private Limited	4,411.85	11,698.64
SP Armada Oil Exploration Private Limited	11,474.65	14,007.82
Reimbursement of expenses		
Armada 98/2 Pte Ltd	37,416.55	22,060.32
Shapoorji Pallonji Armada Oil & Gas Service Private Limited	106,898.19	-
Shapoorji Pallonji Bumi Armada Offshore Private Limited	82,499.11	204,588.52
SP Armada Oil Exploration Private Limited	212,328.41	241,937.09

In terms of our report of even date attached

26(d) Balances with related parties as at March 31, 2021

The following balances are outstanding at the end of the reporting period in relation to transactions

	As at March 31,2021	As at March 31,2020
Trade Payables		
SP Armada Oil Exploration Private Limited	12,091.59	16,472.00
Total payable to related parties	**12,091.59**	**16,472.00**
Trade receivable		
Armada 98/2 Pte Ltd	317,524.68	44,309.46
Shapoorji Pallonji Armada Oil & Gas Service Private Limited	532,721.05	-
Shapoorji Pallonji Bumi Armada Offshore Private Limited	-	88,477.71
SP Armada Oil Exploration Private Limited	64,129.27	5,039.69
Total receivable from related parties	**914,375.00**	**137,826.86**
Unbilled receivable		
Armada 98/2 Pte Ltd	8,108.14	2,832.54
Shapoorji Pallonji Armada Oil & Gas Service Private Limited	228,765.16	-
Shapoorji Pallonji Bumi Armada Offshore Private Limited	-	419,654.39
SP Armada Oil Exploration Private Limited	468,144.37	470,696.95
Total receivable from related parties	**705,017.67**	**893,183.88**

In terms of our report of even date attached

27. Earnings per share

Earnings per share has been calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. The numbers used in calculating the basic/ diluted earnings per equity share are as stated below :

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Profit after taxation (Rupees)	159,813.76	200,554.01
Weighted average number of equity shares of Rs. 10 each outstanding during the year	5,500,000	5,500,000
Basic and Diluted earnings per share (Rupees)	2.91	3.65
Face value per share (Rupees)	10	10

28. Segmental Information

Description of segments and principle activities:

(i) The Company's chief operating decision makers are the Board of Directors who examine the Company's performance only from manpower services provided and has accordingly, identified only one reportable segment which is provision of manpower to its related entities.

(ii) The chief operating decision makers primarily use a measure of profit before tax as included in the internal management report to assess the performance of the operating segment which is measured consistently with profit and loss in the financial statements.

(iii) There are three customers having more than 10% of the gross revenue for the years ended March 31, 2021 & two customers having more than 10% of the gross revenue for the year ended March 31, 2020 aggregating to Rs 5,052,325.68 and Rs. 5,088,685.63 respectively.

(iv) The Company is domiciled in India. The amount of its revenue from external customers broken down by location of the customers is shown in the table below:

Revenue from External Customer	March 31,2021	March 31,2020
India	5,052,325.68	5,088,685.63
Other Countries	241,074.25	25,081.68
Total Gross Sales	5,293,399.93	5,113,767.31

(v) The total of all non-current assets (excluding other financial assets) are located only in India as on March 31, 2021 and March 31, 2020.

29. Dues to micro, small and medium enterprises

The company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 (" MEMED Act"). The disclosures pursuant to the said MSMED Act are as follows:

Particulars	March 31,2021	March 31,2020
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	81.00
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
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	-	-
Further interest remaining due and payable for earlier years	-	-

30. Modification of lease liabilities

The Lease liability were remeasured due to change in the consideration of lease and revalued at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1st September 2020.The incremental borrowing rate applied to the lease liabilities on 1st September 2020 was 7.70%, and any difference from previous carrying value of lease has been adjusted against Right -of- use assets.

31. Demand of Rs 65,97,470 raised by income tax department with respect to adjustment done on assessment of transfer pricing for Assessment Year ("AY") 2010-11. The company had disputed the said adjustment and the matter was put up for appeal with the Commissioner of Income Tax (Appeals) ["CIT(A)"]. On March 11, 2021, the company received the order from CIT(A) for the said matter and has been granted relief. However, the company is awaiting the order giving effect to the same from the assessing officer.

32. The Company has evaluated the impact of the recent Supreme Court judgement 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 March 20, 2019 issued by Employee 's Provident Fund Organisation in relation to non- exclusion of certain allowance from the definition of "basic wages" of the relevant employees for the purposes of determining contribution provident fund under The Employees' Provident Funds & Miscellaneous Provisional Act, 1952 . In the assessment performed by the management, the aforesaid matter does not have any significant impact and accordingly, no provision has been made in these Financial Statements.

In terms of our report of even date attached

33. In view of the global outbreak of Coronavirus (COVID-19) pandemic which has profound impact on the both Indian and global economy, various governments across the globe have taken steps to contain the spread of the COVID-19. The Government of India along with various state governments in India have taken preventive measures like complete lock-down, restrictions on both domestic and international travels etc. As a result, the Company has minimized its rotation of manpower until further notice for the safety of its employees, customers and other stakeholders. Since Company functions are covered under essential categories as prescribed by the Ministry of Home Affairs, hence Company operations are continuing and remain functional. The Company's Onshore base office employees including finance and administrative functions have continued to operate remotely.

Based on internal and external information available till the date of approval of these financial statements, the management has performed assessment to evaluate possible impact of the aforesaid situation on the business of the Company. While performing this assessment, management has also revisited its assessment of various financial risks including credit risk and liquidity risk. Based on the assessment performed and considering the ongoing contract in hand, liquidity position at year end and subsequent discussions with customers, management believes that there is no material uncertainty existing regarding the Company's ability to continue as a going concern.

The Management further believes that no adjustments are required in the financial statements as a consequence of the COVID 19 pandemic. However given the highly uncertain economic conditions, definitive assessment of impact of COVID-19 on the financial position and performance of the Company is highly dependent on future circumstances as they evolve.

34. There are no capital commitments for the year ended March 31,2021 and March 31, 2020.

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration No. 012754N/N500016
Chartered Accountants

GAUTAM WADHERA Digitally signed by GAUTAM WADHERA Date: 2021.06.21 21:07:28 +05'30'

Gautam Wadhera
Partner
Membership No: 508835

Place: Mumbai
Date: June 21, 2021

For and on behalf of the Board of Directors

MAHESH CHELARAM TAHILYANI Digitally signed by MAHESH CHELARAM TAHILYANI Date: 2021.06.21 20:24:08 +05'30'

Mahesh Tahilyani
Director
DIN: 01423084

Venkata Subramanian Sethuraman Digitally signed by Venkata Subramanian Sethuraman Date: 2021.06.21 14:54:08 +05'30'

Venkata Sethuraman
Director
DIN: 05222601

ANKITA PRAFUL SHAH

Ankita Shah
Company Secretary
M.No. 34531; PAN: BJSPS9209P

CHANDRA KISHORE CHOUDHARY Digitally signed by CHANDRA KISHORE CHOUDHARY Date: 2021.06.21 14:37:40 +05'30'

Place: Mumbai
Date: June 21, 2021

FORBES CAMPBELL FINANCE LIMITED
(a wholly owned subsidiary)

Financial Statements
For the Year ended March 31, 2021

INDEPENDENT AUDITOR'S REPORT
To the Members of **FORBES CAMPBELL FINANCE LIMITED**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **FORBES CAMPBELL FINANCE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the loss (including Other Comprehensive Income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Information Other than the Financial Statements and Auditor's Report Thereon
The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Company's Board Report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account

d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, there is no remuneration paid by the Company to its directors during the year under the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 29 to the financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For BATLIBOI & PUROHIT
Chartered Accountants
ICAI Firm Reg. No.101048W

Janak Mehta
Partner
Membership No. 116976

BATLIBOI & PUROHIT
MUMBAI
CHARTERED ACCOUNTANTS

Place : Mumbai
Date : May 21, 2021
ICAI UDIN : 21116976AAAABW8076

Annexure - A to the Auditors' Report
(referred to in paragraph 1 under 'Report on Other Legal and regulatory requirements' section of our report to the members of the Company of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets.

(b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of one immovable property (investment property) aggregating Rs. 431,204 (net book value) are not available with the Company and hence we are unable to comment on the same. However, property tax receipt of the particular immovable property issued by the local municipal corporation in the name of the Company is available with the Company.

(ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 4(ii) of the Order are not applicable to the Company.

(iii) According to the information and explanations given to us, the Company has granted unsecured loans to two bodies corporate, covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:

(a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.

(b) The schedule of repayment of principal and payment of interest has been stipulated. Receipts of four quarterly interest payments has not been regular for one body corporate. For the other body corporate, the loan was converted into equity share capital in April 2020 and the Company has not demanded the outstanding interest during the year.

(c) There is no overdue amount remaining outstanding for more than ninety days as at the year-end for one body corporate. For the other body corporate, considering the financial position of that body corporate, the accrued interest is fully provided in the books of account.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Companies Act 2013 in respect of investments made in the current year. Further there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 of the Companies Act 2013 are applicable.

(v) The Company has not accepted any deposits from the public during the year within the meaning of the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.

(vi) To the best of our knowledge and as explained the Central Government has not prescribed maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, goods and service tax, cess and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at March 31, 2021 for a period of more than six months from the date they became payable. Undisputed dues in respect of sales-tax which were outstanding, at the year end, for a period of more than six months from the date they became payable, are as follows:

Name of statute	**Nature of dues**	**Amount (Rs.)**	**Period to which the amount relates**	**Due date**	**Date of payment**
Sales Tax	Sales Tax and interest thereon	15,69,598	FY 1993 to 2000	Various	Unpaid

(b) According to information and explanations given to us, the following dues of sales tax and income tax have not been deposited by the Company on account of dispute. There are no dues of service tax, wealth tax, goods and service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.

Name of the statute	**Nature of dues**	**Amount (in Rs)**	**Period to which the amount relates**	**Forum where dispute is pending**
Income Tax	Income tax	15,489,390	F.Y. 2003-04	Commissioner of Income Tax (Appeals)
Income Tax	Income tax	75,320	F.Y.2004-05	Appellate, Tribunal
Income Tax	Income tax	190,459	F.Y.2007-08	Appellate, Tribunal
Income Tax	Income Tax	17,233,159	F.Y.2009-10	Appellate, Tribunal
Madhya Pradesh Sales Tax Act	Sales Tax Demands	10,09,077	F.Y. 1997-98 to 1999-2000	Commercial tax officer, Bhopal

(viii) The Company has not defaulted in repayment of dues to debenture holders. The Company did not have any outstanding loans from financial institution, banks or Government during the year.

(ix) The Company did not raise any money by way of Initial Public Offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) The Company has not paid any remuneration to Managerial Personnel, hence paragraph 3(xi) of the order is not applicable.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Accounting Standards.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For BATLIBOI & PUROHIT
Chartered Accountants
ICAI Firm Reg. No.101048W

Janak Mehta
Partner
Membership No. 116976

BATLIBOI & PUROHIT
MUMBAI
CHARTERED ACCOUNTANTS

Place : Mumbai
Date : May 21, 2021
ICAI UDIN : 21116976AAAABW8076

Annexure - B to the Auditors' Report

(referred to in paragraph 2 under 'Report on Other Legal and regulatory requirements' section of our report to the members of the Company of even date)

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

We have audited the Internal Financial Controls over financial reporting of **FORBES CAMPBELL FINANCE LIMITED** ("the Company") as of March 31, 2021 in conjunction with our audit of the Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining Internal Financial Controls based on the Internal Control over Financial Reporting criteria established by the Company considering the essential components of Internal Control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's Internal Financial Controls over Financial Reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an Audit of Internal Financial Controls, both applicable to an Audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain Reasonable Assurance about whether adequate Internal Financial Controls over Financial Reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls system over Financial Reporting and their operating effectiveness. Our audit of Internal Financial Controls over Financial Reporting included obtaining an understanding of Internal Financial Controls over Financial Reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of Internal Control based on the assessed risk. The procedures selected depend on the Auditor's Judgment, including the assessment of the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's Internal Financial Controls system over Financial Reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's Internal Financial Control over Financial Reporting is a process designed to provide reasonable assurance regarding the reliability of Financial Reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted Accounting Principles. A company's Internal Financial Control over Financial Reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For BATLIBOI & PUROHIT
Chartered Accountants
ICAI Firm Reg. No.101048W

Janak Mehta
Partner
Membership No. 116976

Place : Mumbai
Date : May 21, 2021
ICAI UDIN : 21116976AAAABW8076

FORBES CAMPBELL FINANCE LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2021

Particulars	Note No.	As at 31st Mar., 2021 ₹	*As at 31st Mar., 2020 ₹*
ASSETS			
1 Non-current assets			
a Property, Plant and Equipment	3	-	-
b Investment Property	4	4,31,204	*4,54,044*
c **Financial Assets:**			
i) **Investments**			
a) Investments in Subsidiaries	5	4,93,994	*4,93,994*
b) Investments in Associate	6	-	*9,59,29,150*
c) Investments in Joint Venture	7	2,80,56,395	*2,80,56,395*
d) Other Investments	8	28,69,61,674	*12,79,76,704*
		31,55,12,063	*25,24,56,243*
ii) Other financial assets	11A	10,000	*38,000*
		31,55,22,063	*25,24,94,243*
d **Tax assets**			
i) Current tax assets (net)	21	12,22,723	*1,99,53,390*
		12,22,723	*1,99,53,390*
Total Non-current assets		31,71,75,990	*27,29,01,677*
2 Current assets			
a **Financial Assets:**			
i) Trade receivables	9₹	1,38,750	*50,000*
ii) Cash and cash equivalents	12₹	3,84,780	*49,57,351*
iii) Loans	10B	-	*10,22,00,000*
iv) Other financial assets	11B	-	*4,05,151*
		5,23,530	*10,76,12,502*
b Other current assets	13₹	885	*885*
Total Current assets		5,24,415	*10,76,13,387*
Total Assets		31,77,00,405	*38,05,15,064*
EQUITY AND LIABILITIES			
Equity			
a Equity share capital	14	3,86,41,310	*3,86,41,310*
b Other equity	15	11,73,73,218	*19,13,77,781*
Total Equity		15,60,14,528	*23,00,19,091*
Liabilities			
1 Non-current liabilities			
a **Financial liabilities:**			
i) Borrowings	16	4,96,11,989	*4,44,51,189*
Total Non-current liabilities		4,96,11,989	*4,44,51,189*
2 Current liabilities			
a **Financial liabilities:**			
i) Borrowings	19	10,00,00,000	*10,00,00,000*
ii) Trade and other payables	20₹		
a) total outstanding dues of micro enterprises and small enterprises; and		56,650	*58,600*
b) total outstanding dues of creditors other than micro enterprises and small enterprises		9,260	-
iii) Other financial liabilities	17₹	89,28,722	*39,88,144*
		10,89,94,632	*10,40,46,744*
b Current tax liabilities (net)	21	14,32,482	-
c Other current liabilities	18₹	16,46,774	*19,98,040*
		11,20,73,888	*10,60,44,784*
Total Current Liabilities		11,20,73,888	*10,60,44,784*
Total Liabilities		16,16,85,877	*15,04,95,973*
Total Equity and Liabilities		31,77,00,405	*38,05,15,064*

See accompanying notes forming part of the financial statements **1 to 40**

As per our report of even date
For BATLIBOI & PUROHIT
Chartered Accountants
Firm Reg No:101048W

Janak Mehta
Partner
Membership No.: 116976
Mumbai, 21st May, 2021

SHRIKRISHNA BHAVE ____________ *Chairperson*

NIRMAL JAGAWAT ____________

RAVINDER PREM ____________ *Directors*

PANKAJ KHATTAR ____________

Mumbai, 21st May, 2021

FORBES CAMPBELL FINANCE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021

	Particulars	Note No.	Year Ended 31st Mar., 2021 ₹	*Year Ended 31st Mar., 2020 ₹*
I	Revenue from operations	22	3,00,000	*5,99,194*
II	Other income	23	6,10,048	*52,84,780*
III	**Total Income (I + II)**		9,10,048	*58,83,974*
IV	**Expenses:-**			
	Finance cost	24	1,68,36,095	*90,34,766*
	Depreciation and amortisation expense	25	22,840	*22,840*
	Other expenses	26A	2,04,75,049	*3,51,905*
	Total expenses		3,73,33,984	*94,09,511*
V	**Profit / (loss) before exceptional items and tax (III - IV)**		(3,64,23,936)	*(35,25,537)*
VI	Exceptional items	26B	(19,65,65,597)	*(2,23,68,628)*
VII	**Profit / (Loss) before tax (V + VI)**		(23,29,89,533)	*(2,58,94,165)*
VIII	**Tax expense / (credit):**			
	Current tax	27	-	-
	Deferred tax	27	-	-
			-	-
IX	**Profit / (Loss) for the period (VII - VIII)**		(23,29,89,533)	*(2,58,94,165)*
X	**Other Comprehensive Income**			
	A (i) Items that will not be reclassified to profit or loss			
	a) Equity instruments through other comprehensive income		15,89,84,970	*(23,76,41,303)*
	Total Other Comprehensive Income		15,89,84,970	*(23,76,41,303)*
XI	**Total Comprehensive Income for the period (IX + X)**		(7,40,04,563)	*(26,35,35,468)*
XII	**Earning per equity share :**			
	Basic and diluted earnings per equity share	28	₹(60.30)	*₹ (6.70)*

See accompanying notes forming part of the financial statements **1 to 40**

As per our report of even date
For BATLIBOI & PUROHIT
Chartered Accountants
Firm Reg No:101048W

Janak Mehta
Partner
Membership No.: 116976
Mumbai, 21st May, 2021

SHRIKRISHNA BHAVE ____________ *Chairperson*

NIRMAL JAGAWAT ____________

RAVINDER PREM ____________ *Directors*

PANKAJ KHATTAR ____________

Mumbai, 21st May, 2021

FORBES CAMPBELL FINANCE LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2021

	Year Ended 31st Mar., 2021 ₹		*Year Ended 31st Mar., 2020 ₹*	
Cash flows from operating activities				
Profit before		**(23,29,89,533)**		*(2,58,94,165)*
Adjustments for -				
Finance costs recognised in profit or loss	1,68,36,095		*90,34,766*	
Depreciation and amortisation of non-current assets	22,840		*22,840*	
Interest Income	(5,61,929)		*(43,93,700)*	
Dividend Income	-		*(8,31,990)*	
Impairment of Investment in Associate	19,59,29,150		*2,23,68,628*	
Prov for Interest Accrued on Inter Corporate Deposit	6,36,447		-	
Provision for doubtful deposits/income tax assets	2,02,43,088		-	
Advances /Other deposits written off	10,000			
Credit balances / excess provision written back	(48,119)		*(59,090)*	
		23,30,67,572		*2,61,41,454*
Operating profit / (loss) before working capital changes		**78,039**		*2,47,289*
Movements in working capital:				
Decrease / (increase) in trade receivables and other receivables	(88,750)		*40,000*	
(Increase)/decrease in other assets	48,119		-	
Increase / (decrease) in trade payables and other payables	(39,03,756)		*(3,34,754)*	
Increase / (decrease) in other liabilities	(3,51,266)		*4,27,782*	
		(42,95,653)		*1,33,028*
Cash generated from / (used in) operations		**(42,17,614)**		*3,80,317*
Income taxes paid (net of refunds)		**(61,939)**		*35,459*
(a) Net cash generated from / (used in) operating activities		**(42,79,553)**		*4,15,776*
Cash flows from investing activities:				
Inter-corporate deposits placed with related parties	-		*(10,30,00,000)*	
Inter-corporate deposits refunded by related parties	22,00,000		*8,00,000*	
Purchase of Held to Maturity Investments	-		*(25,32,73,699)*	
Proceeds from Held to Maturity Investments	-		*25,32,73,699*	
Interest received	3,30,633		*39,89,704*	
Dividend received	-		*8,31,990*	
(b) Net cash generated from / (used in) investing activities		**25,30,633**		*(9,73,78,306)*
Cash flows from financing activities:				
Proceeds from short-term borrowings	-		*25,40,00,000*	
Repayment of borrowings	-		*(15,40,00,000)*	
Interest paid	(28,23,651)		*(6,44,497)*	
(c) Net cash generated from / (used in) financing activities		**(28,23,651)**		*9,93,55,503*
(d) Net increase / (decrease) in cash and cash equivalents (a + b + c)		**(45,72,571)**		*23,92,973*
(e) Cash and cash equivalents as at the commencement of the year		**49,57,351**		*25,64,378*
(f) Cash and cash equivalents as at the end of the year		**3,84,780**		*49,57,351*

See accompanying notes forming part of the financial statements **1 to 40**

As per our report of even date
For BATLIBOI & PUROHIT
Chartered Accountants
Firm Reg No:101048W

Janak Mehta
Partner
Membership No.: 116976
Mumbai, 21st May, 2021

SHRIKRISHNA BHAVE ____________ *Chairperson*

NIRMAL JAGAWAT ____________

RAVINDER PREM ____________ *Directors*

PANKAJ KHATTAR ____________

Mumbai, 21st May, 2021

Statement of changes in equity for the year ended 31st March, 2021

A. Equity share capital

	No.of Shares	Amount
		₹
Balance at 31st March, 2019	**38,64,131**	**3,86,41,310**
Changes in equity share capital during the year	-	-
Balance at 31st March, 2020	**38,64,131**	**3,86,41,310**
Changes in equity share capital during the year	-	-
Balance at 31st March, 2021	**38,64,131**	**3,86,41,310**

B. Other Equity ₹

	Attributable to Owners							
	Reserves and surplus						Items Of Other Comprehensive Income	Total Other Equity
	Amalgamation reserve	Securities premium reserve	Retained earnings	Capital Redemption Reserve	Equity Component in Debentures issued	Total	equity instruments through other comprehensive	Total
Balance at 31st March, 2019	**2,04,061**	**30,00,71,700**	**(38,38,52,228)**	**75,00,000**	**16,86,26,403**	**9,25,49,936**	**36,23,63,313**	**45,49,13,249**
Profit / (Loss) for the year	-	-	(2,58,94,165)	-	-	**(2,58,94,165)**	-	**(2,58,94,165)**
Net fair value gain / (loss) on investments in equity instruments at FVTOCI	**-**	**-**	**-**	**-**	**-**	**-**	(23,76,41,303)	**(23,76,41,303)**
Balance at 31st March, 2020	**2,04,061**	**30,00,71,700**	**(40,97,46,393)**	**75,00,000**	**16,86,26,403**	**6,66,55,771**	**12,47,22,010**	**19,13,77,781**
Profit / (Loss) for the year	-	-	(23,29,89,533)	-	-	**(23,29,89,533)**	-	**(23,29,89,533)**
Net fair value gain / (loss) on investments in equity instruments at FVTOCI						-	15,89,84,970	**15,89,84,970**
Balance at 31st March, 2021	**2,04,061**	**30,00,71,700**	**(64,27,35,926)**	**75,00,000**	**16,86,26,403**	**(16,63,33,762)**	**28,37,06,980**	**11,73,73,218**

See accompanying notes forming part of the financial statements **1 to 40**

As per our report of even date
For BATLIBOI & PUROHIT
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Janak Mehta
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SHRIKRISHNA BHAVE ______________________ *Chairperson*

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PANKAJ KHATTAR ______________________

Mumbai, 21st May, 2021

1. GENERAL INFORMATION

Forbes Campbell Finance Limited was incorporated on 25th April, 1977 in India having registered office at Forbes Building, Charanjit Rai Marg, Fort, Mumbai 400001. The Company is wholly owned subsidiary of Forbes & Company Limited and is mainly engaged in real estate business and investment activities.

2. SIGNIFICANT ACCOUNTING POLICIES

i) Statement of Compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of Companies Act, 2013 [Companies (Indian Accounting Standards) Rules, 2015].

ii) Basis of Preparation and Presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period

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 the purpose of classification of its assets and liabilities as current and non current .

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

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. 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 has both joint operations and joint ventures.

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 recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

Investment in Subsidiaries, Associates and Joint Ventures

The Company has elected to continue with the carrying value of all of its investment in subsidiaries, associates and joint ventures recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

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 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 & cost can be reliably measured.

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 life prescribed in Schedule II to the Companies Act 2013.

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.

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

Sr. No.	Class of assets	Estimated useful life
a	Furniture & Fixture	As per Schedule II
b	Office equipment, Electrical installations, Computers:-	
	- Owned	As per Schedule II.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment as of the transition date.

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.

vi) Investment property

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. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16's requirements for cost model.

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 profit or loss in the period in which the property is derecognised.

For transition to Ind AS, the Company has elected to continue with the carrying value of its investment property recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

vii) Intangible Assets

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

Amortisation is to be recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are to be 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 to be determined as the difference between the disposal proceeds and the carrying amount of the asset and are to be recognised as income or expense in the Statement of Profit and Loss.

viii) Intangible assets under development

Expenditure on development eligible for capitalisation is to be 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. 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.

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

The Company has elected to continue with the carrying value of all of its plant and equipment and intangible assets recognised as of April 1, 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 a Company entity becomes a party to the contractual provisions of the instruments.

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

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 points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

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

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

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset. 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 at FVTPL 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 transactions that are within the scope of Ind AS 18, 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. 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

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

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 profit or 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.

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 Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between 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 and payable is recognised in profit or loss.

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 terms of a debt instrument. Financial guarantee contracts are recognised initially as a 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 amortisation

Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

xii) 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.

xiii) 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.

Contingent liability is disclosed for (i) Possible obligations which will be confirmed only by 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.

xiv) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

Sale of Services:

a) Income from services is recognised on accrual basis as and when the services are performed.

b) 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.

c) 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).

xv) Foreign Currency Transactions

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

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

xvi) 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
- the exercise price of the purchase option if the Company is reasonably certain to
- payments of penalties for terminating the lease, if the lease term reflects the Company

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 reflects changes in financing condition since third party
- 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
- 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. Low value asset comprise equipments.

As a lessor:

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

xvii) Taxes on Income

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. 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 separate 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.

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.

Current and deferred tax are recognised in profit or 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.

xviii) Cash and Cash Equivalents

In the cash flow statement, cash and cash equivalents includes cash on hand, cheques, drafts on hand, balances in current accounts with banks, other bank deposits with original maturities of three months or less.

xix) Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised. A qualifying asset is one 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. Other borrowing costs are recognised as an expense in the period in which they are incurred.

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 profit or loss in the period in which they are incurred.

xx) 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.

Recent amendments to Indian Accounting Standards:

On 24 July 2020, the Ministry of Corporate Affairs (MCA) had issued amendments to certain Ind AS as follows:

i) Ind AS 103 - Business Combinations

The definition of the term “business” has been revised. An optional test has been introduced to identify concentration of fair value to permit a simplified assessment of whether an acquired set of activities and assets is not a business. Additional guidance with elements of business and on assessing whether an acquired process is substantive. An entity is required to apply the amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after the 1 April 2020 and to asset acquisitions that occur on or after the beginning of that period. There was no impact on the financial statements of the Company on adoption of the above amendments for the year.

ii) Ind AS 107 - Financial Instruments: Disclosures

Additional disclosures have been introduced for uncertainties arising from interest rate benchmark reforms consequential to the hedge accounting related amendments in the Ind AS 109 – Financial Instruments. The Company did not have any transactions during the year to which these amendments were applicable.

iii) Ind AS 109 - Financial Instruments

Temporary exceptions from applying specific hedge accounting requirements have been introduced for all hedging relationships directly affected by ‘interest rate benchmark reform’. (i.e. the market-wide reform of an interest rate benchmark, including the replacement of an interest rate benchmark with an alternative benchmark rate). This amendment is effective for annual reporting periods beginning on or after 1 April 2020. The Company did not have any transactions during the year to which these amendments were applicable.

iv) Ind AS 116 - Leases

A Practical expedient has been allowed to permit lessees to exclude COVID-19 related rent concessions to be treated as a lease modification. This amendment is applicable to the Company from annual reporting periods beginning on or after 1 April 2020. There were no rent concessions during the year and accordingly, there was no impact on the financial statements of the Company on adoption of the above amendments for the year.

v) Ind AS 1 - Presentation of Financial Statements and Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors (and consequential amendments to other Ind AS)

The definition of the term “material” has been revised and is applicable prospectively for annual periods beginning on or after 1 April 2020. Consequent to the revised definition of “material”, certain amendments were also notified in the Ind AS 10 - Events after the Reporting Period, Ind AS 34 - Interim Financial Reporting and Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets.

There was no impact on the financial statements of the Company on adoption of this amendment for the year.

vi) Standards issued but not yet effective

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

FORBES CAMPBELL FINANCE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 - Continued

3. Property, plant and equipment

Current Year

Particulars	Cost or deemed cost				Accumulated depreciation and impairment				Carrying Amount
	Balance as at 1st April, 2020	Additions	Disposals	Balance as at 31st Mar., 2021	Balance as at 1st April, 2020	Eliminated on disposals of assets	Depreciation expense	Balance as at 31st Mar., 2021	Balance as at 31st Mar., 2021
Property plant and equipment									
Office equipments	-	-	-	-	-	-	-	-	-
Furniture and fixtures	-	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-

Previous Year

Particulars	*Cost or Deemed cost*				*Accumulated depreciation and impairment*				*Carrying Amount*
	Balance as at 1st April, 2019	*Additions*	*Disposals*	*Balance as at 31st Mar., 2020*	*Balance as at 1st April, 2019*	*Eliminated on disposals of assets*	*Depreciation expense*	*Balance as at 31st Mar., 2020*	*Balance as at 31st Mar., 2020*
Property plant and equipment									
Office equipments	-	-	-	-	-	-		-	-
Furniture and fixtures	-	-	-	-	-	-		-	-
Subtotal	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-

FORBES CAMPBELL FINANCE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 - Continued

4. Investment property

₹

	As at 31st Mar., 2021	*As at 31st Mar., 2020*
Completed investment properties	**4,31,204**	*4,54,044*
Total	**4,31,204**	***4,54,044***

Cost or Deemed Cost	**As at 31st Mar., 2021**	*As at 31st Mar., 2020*
Balance at beginning of year	**13,31,694**	*13,31,694*
Additions	-	-
Balance at end of period	**13,31,694**	***13,31,694***

Accumulated depreciation and impairment	**As at 31st Mar., 2021**	*As at 31st Mar., 2020*
Balance at beginning of year	**8,77,650**	*8,54,810*
Add :- Depreciation for the period	22,840	*22,840*
Balance at end of period	**9,00,490**	***8,77,650***

Carrying amount	**As at 31st Mar., 2021**	*As at 31st Mar., 2020*
Balance at beginning of year	**4,54,044**	*4,76,884*
Additions		
Disposals		
Depreciation expense	22,840	*22,840*
Balance at end of period	**4,31,204**	***4,54,044***

All of the Company's investment properties are held under freehold interests.

4.1 Fair value measurement of the Company's investment properties

The fair value of the Company’s investment properties as at March 31, 2021 and as at March 31, 2020 have been arrived at on the basis of a valuation carried out as on the respective dates by V.S.Modi Associates, Chartered Engineer, Approved Valuers. 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.

Details of the Company’s investment properties and information about the fair value hierarchy as at 31st March, 2021 and 31st March, 2020 are as follows:

Particulars	**Level 3**	**Fair value as at 31st Mar., 2021**
Office Units located in India- Pune City	1,53,00,000	1,53,00,000
Total	**1,53,00,000**	**1,53,00,000**

Particulars	*Level 3*	*Fair value as at 31st Mar., 2020*
Office Units located in India- Pune City	1,59,00,000	*1,59,00,000*
Total	***1,59,00,000***	***1,59,00,000***

For the office units located in Pune City, India, the fair value was derived using the market comparable approach based on recent market prices without any significant adjustments being made to the market observable data.

4.2 Note on Investment property direct expenses included in other expenses:-

	Year Ended 31st Mar., 2021	*Year Ended 31st Mar., 2020*
		₹
Direct operating expenses arising from investment property that generated rental income during the year	65,908	*46,737*
Direct operating expenses arising from investment property that did not generate rental income during the year	-	-
Total	**65,908**	***46,737***

FORBES CAMPBELL FINANCE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 - Continued

5. Investments in Subsidiaries at cost

Non Current Investments

₹

particulars	As at 31st Mar., 2021 Qty	Amount	*As at 31st Mar., 2020 Qty*	*Amount*
In subsidiary companies at cost				
Unquoted Investments (all fully paid)				
Equity Instruments				
1. Equity shares of ₹ 10 each in Forbes Campbell Services Ltd.	**49,000**	**4,93,994**	*49,000*	*4,93,994*
TOTAL AGGREGATE OF UNQUOTED INVESTMENTS (A)	**49,000**	**4,93,994**	*49,000*	*4,93,994*
Aggregate amount of impairment in value of investments (B)		**-**		*-*
TOTAL INVESTMENTS (A) - (B)		**4,93,994**		*4,93,994*

6. Investment in associates at cost

₹

particulars	As at 31st Mar., 2021 Qty	Amount	*As at 31st Mar., 2020 Qty*	*Amount*
Unquoted Investments (all fully paid)				
Equity Instruments				
1. Equity shares of ₹ 10 each in Forbes Technosys Ltd. (Refer Note 36)	**2,18,97,200**	**21,78,26,350**	*1,18,97,200*	*11,78,26,350*
2. Equity component in Financial Guarantee given to Forbes Technosys Limited	**-**	**4,71,428**	*-*	*4,71,428*
TOTAL AGGREGATE OF UNQUOTED INVESTMENTS (A)	**2,18,97,200**	**21,82,97,778**	*1,18,97,200*	*11,82,97,778*
Aggregate amount of impairment in value of investments (B)		**21,82,97,778**		*2,23,68,628*
TOTAL INVESTMENTS (A) - (B)		**-**		*9,59,29,150*

7. Investment in joint venture at cost

₹

particulars	As at 31st Mar., 2021 Qty	Amount	*As at 31st Mar., 2020 Qty*	*Amount*
In joint venture company				
Unquoted Investments (all fully paid)				
Equity Instruments				
1. Equity shares of ₹ 10 each in Forbes Bumi Armada Ltd.	**28,05,000**	**2,80,56,395**	*28,05,000*	*2,80,56,395*
TOTAL AGGREGATE OF UNQUOTED INVESTMENTS (A)	**28,05,000**	**2,80,56,395**	*28,05,000*	*2,80,56,395*
Aggregate amount of impairment in value of investments (B)		**-**		*-*
TOTAL INVESTMENTS (A) - (B)		**2,80,56,395**		*2,80,56,395*

FORBES CAMPBELL FINANCE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 - Continued

8. Other investments

8A. Other Non Current Investments

	particulars	As at 31st Mar., 2021 Qty	Amount	*As at 31st Mar., 2020 Qty*	*Amount*
					₹
8.1A.	**Quoted Investments (all fully paid) at fair value through OCI**				
	In Holding Company				
	Equity Instruments				
1.	Equity shares of ₹ 10 each in Forbes & Company Ltd.	**1,66,398**	**28,69,61,672**	*1,66,398*	*12,79,76,702*
	TOTAL AGGREGATE OF UNQUOTED INVESTMENTS (A)	**1,66,398**	**28,69,61,672**	*1,66,398*	*12,79,76,702*
8.2A.	**Unquoted Investments (all fully paid) at fair value through P&L**				
	In Other entities				
	Equity Instruments				
1.	Equity shares of ₹ 10 each in The Svadeshi Mills Co. Ltd.	**13,49,260**	**1,34,92,600**	*13,49,260*	*1,34,92,600*
2.	Equity shares of ₹ 10 each in Forbes Edumetry Ltd (Refer Note 1 below)	**16,56,000**	**1,44,36,124**	*16,56,000*	*1,44,36,124*
	TOTAL AGGREGATE QUOTED INVESTMENTS (B)	**30,05,260**	**2,79,28,724**	*30,05,260*	*2,79,28,724*
	TOTAL INVESTMENTS (A) + (B)	**31,71,658**	**31,48,90,396**	*31,71,658*	*15,59,05,426*
	Less : Aggregate amount of impairment in value of investments (C)		**2,79,28,722**		*2,79,28,722*
	TOTAL INVESTMENTS CARRYING VALUE (A) + (B) - (C)		**28,69,61,674**		*12,79,76,704*
	Aggregate market value of quoted investments		**28,69,61,672**		*12,79,76,702*

8.3A. Category-wise other investments – as per Ind AS 109 classification

Particulars	As at 31st Mar., 2021	*As at 31st Mar., 2020*
		₹
Financial assets carried at fair value through profit or loss (FVTPL)		
Equity Instrument	**2,79,28,724**	*2,79,28,724*
Less:- Impairment in value of investments	**2,79,28,722**	*2,79,28,722*
	2	*2*
Financial Assets measured at FVTOCI (Debt instruments and equity investments)		
Equity instruments	**28,69,61,672**	*12,79,76,702*
	28,69,61,672	*12,79,76,702*
TOTAL	**28,69,61,674**	*12,79,76,704*

Note 1:-

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.

FORBES CAMPBELL FINANCE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 - Continued

9. Trade receivables

Trade receivables- Current

Particulars	As at 31st Mar., 2021	*As at 31st Mar., 2020*
		₹
Trade receivables		
a) Unsecured, considered good	1,38,750	*50,000*
b) Doubtful	-	-
Less: Allowance for doubtful debts	-	-
Total	**1,38,750**	*50,000*

10. Loans / Advances

10A. Loans / Advances - Non Current

Particulars	As at 31st Mar., 2021	*As at 31st Mar., 2020*
		₹
a) Loans and advances to others		
- Unsecured, considered good	-	-
- Doubtful	39,53,952	*39,53,952*
Less : Allowance for doubtful advances	39,53,952	*39,53,952*
Total	-	-

Forbes Edumetry Limited (FEL), a subsidiary of the Company, received a demand notice for ₹ 1,27,952 in the year 2019. FEL is currently under liquidation, and hence the demand has been paid by the Company on behalf of FEL, and has been disclosed as an advance to FEL. This advance has been fully provided in the books of the Company.

10B Loans / Advances - Current

Particulars	As at 31st Mar., 2021	*As at 31st Mar., 2020*
		₹
a) Inter-Corporate Deposits to related parties		
- Unsecured, considered good	-	*10,22,00,000*
- Doubtful	-	-
Less : Allowance for bad and doubtful loans	-	-
Total	-	*10,22,00,000*

FORBES CAMPBELL FINANCE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 - Continued

11. Other financial assets

11A. Other financial assets - Non current

₹

	Particulars	As at 31st Mar., 2021	*As at 31st Mar., 2020*
a)	**Security deposits**		
	- Unsecured, considered good	10,000	*38,000*
	- Doubtful	18,000	-
	Less : Allowance for bad and doubtful loans	18,000	-
	Total	**10,000**	*38,000*

11B. Other financial assets - Current

₹

	Particulars	As at 31st Mar., 2021	*As at 31st Mar., 2020*
a)	**Accruals:**		
	i) Interest accrued on deposits with bank	-	*2,620*
	ii) Interest accrued on loans to related parties	-	*4,02,531*
	iii) Interest accrued on Loan given to related parties- Doubtful	6,36,447	-
	Less : Allowance for bad and doubtful loans	6,36,447	-
	Total (a)	**-**	*4,05,151*
b)	**Other curent receivables**		
	- Unsecured, considered good	-	-
	- Doubtful	-	*48,119*
	Less : Allowance for doubtful debts	-	*48,119*
	Total (b)	**-**	-
	Total (a + b)	**-**	*4,05,151*

12. Cash and cash equivalents

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

₹

Particulars	As at 31st Mar., 2021	*As at 31st Mar., 2020*
Balances with Banks		
a) In current accounts	3,84,780	*49,57,351*
b) Deposits accounts (with original maturity upto 3 months)	-	-
	3,84,780	*49,57,351*
Cash on hand	-	-
Cash and cash equivalents as per balance sheet	**3,84,780**	*49,57,351*

13. Other assets

Other assets - Current

₹

Particulars	As at 31st Mar., 2021	*As at 31st Mar., 2020*
a) Advances for supply of goods and services		
- Unsecured, considered good	885	*885*
- Doubtful	-	-
Less : Allowance for doubtful advances	-	-
Total	**885**	*885*

FORBES CAMPBELL FINANCE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 - Continued

14. Equity Share Capital

Particulars	As at 31st Mar., 2021	*As at 31st Mar., 2020*
		₹
Equity shares of ₹ 10 each	**3,86,41,310**	*3,86,41,310*
Total	**3,86,41,310**	*3,86,41,310*
Authorised Share capital :		
46,14,200 fully paid equity shares of ₹ 10 each	**4,61,42,000**	*4,61,42,000*
Issued and subscribed capital comprises:		
38,64,131 fully paid equity shares of ₹ 10 each *(Previous year : 38,64,131)*	**3,86,41,310**	*3,86,41,310*
	3,86,41,310	*3,86,41,310*

14. 1 Fully paid equity shares

Particulars	Number of shares	Share capital (Amount)
Balance at March 31, 2020	**38,64,131**	**3,86,41,310**
Movements	-	-
Balance at March 31, 2021	**38,64,131**	**3,86,41,310**

Fully paid equity shares, which have a par value of Rs.10, carry one vote per share and carry a right to dividends.

14. 2 Details of shares held by the holding company, the ultimate controlling party, their subsidiaries and associates

	Fully paid ordinary shares	
Particulars	As at 31st Mar., 2021	*As at 31st Mar., 2020*
Balance at the beginning of the period	**38,64,131**	*38,64,131*
The holding company	-	-
Total	**38,64,131**	*38,64,131*

14. 3 Details of shares held by each shareholder holding more than 5% shares

	As at 31st Mar., 2021		*As at 31st Mar., 2020*	
Particulars	Number of shares held	% holding in the class of shares	*Number of shares held*	*% holding in the class of shares*
<u>**Fully paid equity shares**</u>				
Forbes & Company Limited	**38,64,131**	**100.00**	*38,64,131*	*100.00*
Total	**38,64,131**	**100.00**	*38,64,131*	*100.00*

15. Other equity

₹

Particulars	As at 31st Mar., 2021	*As at 31st Mar., 2020*
a) Amalgamation reserve	**2,04,061**	*2,04,061*
b) Securities premium reserve	**30,00,71,700**	*30,00,71,700*
c) Reserve for equity instruments through other comprehensive income	**28,37,06,980**	*12,47,22,010*
d) Retained earnings	**(64,27,35,926)**	*(40,97,46,393)*
e) Capital redemption reserve	**75,00,000**	*75,00,000*
f) Equity Component in Debentures issued	**16,86,26,403**	*16,86,26,403*
Total	**11,73,73,218**	*19,13,77,781*

₹

Particulars	As at 31st Mar., 2021	*As at 31st Mar., 2020*
15.1 Amalgamation reserve		
Balance at beginning of the year	**2,04,061**	*2,04,061*
Movements	-	-
Balance at end of the year	**2,04,061**	*2,04,061*
15.2 Securities premium reserve		
Balance at beginning of the year	**30,00,71,700**	*30,00,71,700*
Movements	-	-
Balance at end of the year	**30,00,71,700**	*30,00,71,700*
15.3 Reserve for equity instruments through other comprehensive income		
Balance at beginning of year	**12,47,22,010**	*36,23,63,313*
Net fair value gain / (loss) on investments in equity instruments at FVTOCI	**15,89,84,970**	*(23,76,41,303)*
Balance at end of the year	**28,37,06,980**	*12,47,22,010*
15.4 Retained earnings		
Balance at beginning of year	**(40,97,46,393)**	*(38,38,52,228)*
Profit / (loss) attributable to owners of the Company	**(23,29,89,533)**	*(2,58,94,165)*
Balance at end of the year	**(64,27,35,926)**	*(40,97,46,393)*
15.5 Capital redemption reserve		
Balance at beginning of the year	**75,00,000**	*75,00,000*
Movements	-	-
Balance at end of the year	**75,00,000**	*75,00,000*
15.6 Equity Component in Debentures issued		
Balance at beginning of the year	**16,86,26,403**	*16,86,26,403*
Movements	-	-
Balance at end of the year	**16,86,26,403**	*16,86,26,403*
Total	**11,73,73,218**	*19,13,77,781*

16. Non-current Borrowings

₹

Particulars	Non-current portion As at 31st Mar., 2021	*As at 31st Mar., 2020*
Unsecured – at amortised cost		
(a) **0.1% unsecured optionally convertible redeemable debentures** [1,72,67,500 (*Previous Year: 1,72,67,500)* Debentures of ₹ 10/- each] (Refer Footnote)	**4,96,11,989**	*4,44,51,189*
	4,96,11,989	*4,44,51,189*
Total Non-current borrowings	**4,96,11,989**	*4,44,51,189*

Footnote:

Details of terms of repayment of Debentures:

1. The debentures shall carry interest @ 0.1 % p.a. payable annually.
2. The Company shall at any time after the expiry of 18 months from the date of allotment of the convertible debentures by a written notice of 30 days call upon the holders of convertible debentures to give their consent to the conversion of the debentures into equity shares. The conversion shall be at a price to be determined by the Board of Directors. The equity shares so issued and alloted upon conversion shall rank pari passu with the then existing equity shares in all respect including dividend. In case the holder do not consent to the conversion, the debentures shall be redeemed at par, upon the expiry of 20 years from the date of allotment. the company shall have an option to redeem the same, earlier at any time before the date of maturity after giving a written notice of 30 days.

17. Other financial liabilities

Other financial liabilities - Current

₹

Particulars	As at 31st Mar., 2021	*As at 31st Mar., 2020*
a) Interest accrued but not due on Inter-corporate deposits from Related party	**88,59,726**	*37,61,066*
b) Interest accrued but not due on borrowings (debentures)	**68,996**	*77,078*
c) Others :-		
- Security deposits	**-**	*1,50,000*
Total	**89,28,722**	*39,88,144*

18. Other current liabilities

₹

Particulars	As at 31st Mar., 2021	*As at 31st Mar., 2020*
a) Statutory remittances	**16,46,774**	*19,98,040*
Total	**16,46,774**	*19,98,040*

19. Current Borrowings

Particulars	As at 31st Mar., 2021	*As at 31st Mar., 2020*
Unsecured - at amortised cost		
a) Inter-corporate deposits from related party	**10,00,00,000**	*10,00,00,000*
Total	**10,00,00,000**	*10,00,00,000*

- Amounts repayable to related parties of the Group. Interest of 11.50% per annum is charged on the outstanding loan balances.

20. Trade payables

₹

Particulars	As at 31st Mar., 2021	*As at 31st Mar., 2020*
Micro and small enterprises	**56,650**	*58,600*
Others	**9,260**	-
Total	**65,910**	*58,600*

Payable to Micro and small enterprises represents the principal amount. There is no interest due / accrued / paid / payable during the year

The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

21. Current tax assets and liabilities

₹

Particulars	As at 31st Mar., 2021	*As at 31st Mar., 2020*
Current tax assets		
Tax refund receivable	**12,22,723**	*1,99,53,390*
	12,22,723	*1,99,53,390*
Current tax liabilities		
Income tax payable	**14,32,482**	-
	14,32,482	-
Current Tax Assets (current portion)	**-**	-
Current Tax Assets (non-current portion)	**12,22,723**	*1,99,53,390*

FORBES CAMPBELL FINANCE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 - Continued

22. Revenue from operations

₹

Particulars	Year Ended 31st Mar., 2021	*Year Ended 31st Mar., 2020*
a) **Operating revenues**		
i) Rent and amenities	3,00,000	*5,99,194*
Total	**3,00,000**	*5,99,194*

23. Other Income

₹

Particulars	Year Ended 31st Mar., 2021	*Year Ended 31st Mar., 2020*
Interest income earned on financial assets that are not designated at fair value through profit or loss:		
a) Interest Income		
i) Bank deposits	-	*58,085*
ii) Inter-corporate deposit	5,61,929	*5,09,400*
iii) Income Tax refund	-	*6,900*
iv) Current investment	-	*38,19,315*
Total (a)	**5,61,929**	*43,93,700*
b) Dividend Income		
i) from long-term investments	-	*8,31,990*
Total (b)	**-**	*8,31,990*
c) Other Non-Operating Income (Net of expenses directly attributable to such income)		
i) Others		
Credit balances / excess provision written back	48,119	*59,090*
Financial Guarantee Income	-	*-*
Total (c)	**48,119**	*59,090*
Total (a+b+c)	**6,10,048**	*52,84,780*

24. Finance costs

₹

Particulars	Year Ended 31st Mar., 2021	*Year Ended 31st Mar., 2020*
(a) **Interest costs :-**		
i) Interest on loans from related parties (debentures)	1,72,675	*1,72,675*
ii) Interest on loans from related parties (ICD)	1,15,00,000	*42,41,885*
iii) Other interest expense	2,620	*-*
Total (a)	**1,16,75,295**	*44,14,560*
iv) Notional Interest on Debentures from related parties	**51,60,800**	*46,20,206*
Total	**1,68,36,095**	*90,34,766*

25. Depreciation and amortisation expense

₹

Particulars	Year Ended 31st Mar., 2021	*Year Ended 31st Mar., 2020*
i) Depreciation of investment property	22,840	*22,840*
Total	**22,840**	*22,840*

FORBES CAMPBELL FINANCE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 - Continued

26. A. Other expenses ₹

	Particulars	Year Ended 31st Mar., 2021	*Year Ended 31st Mar., 2020*
a)	**Repairs to :**		
	i) Buildings	44,822	*28,800*
	ii) Others	5,000	-
		49,822	*28,800*
	Rates and taxes (excluding taxes on income)	78,750	*52,539*
	Brokerage, commission, discount and other selling expenses	-	*59,000*
	Legal and professional charges	42,290	*28,084*
	Advances /Other deposits written off	10,000	-
	Provision for doubtful loans and advances	-	*48,119*
	Provision for doubtful deposits/income tax assets	2,02,43,088	-
	Miscellaneous expenses	3,499	*34,531*
	Total (a)	**2,04,27,449**	*2,51,073*
b)	**Audit Fees**		
	i) For statutory audit	47,600	*41,300*
	ii) For other services	-	*59,000*
	iii) For reimbursement of expenses	-	*532*
	Total (b)	**47,600**	*1,00,832*
	Total (a+b)	**2,04,75,049**	*3,51,905*

26. B. Exceptional items

	Particulars	Year Ended 31st Mar., 2021	*Year Ended 31st Mar., 2020*
a)	Impairment of Investment in Associate	(19,59,29,150)	*(2,23,68,628)*
b)	Prov for doubtful Interest on Loan to related parties	(6,36,447)	-
	(Refer Note 36)	**(19,65,65,597)**	*(2,23,68,628)*

27. Income taxes relating to operations

27.1 Income tax recognised in profit or loss

Particulars	Year Ended 31st Mar., 2021	*Year Ended 31st Mar., 2020*
Current tax		
In respect of the current year	-	-
	-	-
Deferred tax		
	-	-
Total income tax expense recognised in the current year relating to continuing Operations	-	-

28. Earnings per share

Particulars	**Year Ended 31st Mar., 2021**	*Year Ended 31st Mar., 2020*
	₹ per share	*₹ per share*
Basic earnings per share	**(60.30)**	*(6.70)*
Diluted earnings per share	**(60.30)**	*(6.70)*

28.1. Basic Earnings per share

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

Particulars	**Year Ended 31st Mar., 2021**	*Year Ended 31st Mar., 2020*
Profit/(loss) for the year attributable to owners of the Company (A)	**(23,29,89,533)**	*(2,58,94,165)*
Weighted average number of equity shares for the purposes of basic earnings per share (B)	**38,64,131**	*38,64,131*
Basic Earnings per share (A/B)	(60.30)	*(6.70)*

28.2 Diluted earnings per share

Note for debentures -

The Company has dilutive capital in the form of Debentures. Since the Company has the option to convert the debenture in to equity shares at a price decided by the Board of Directors, which is not ascertainable at present, diluted potential equity shares for the said convertible debentures are not quantified / considered for calculating diluted earnings per share.

29. Contingent liabilities

₹

Particulars	As at 31st Mar., 2021	*As at 31st Mar., 2020*
Corporate guarantee issued in favour of Union Bank of India which in turn has issued guarantee on behalf of Forbes Technosys Ltd., a fellow subsidiary of the Company.	**1,50,00,000**	*1,50,00,000*
Income Tax matters in dispute under appeal.	**3,29,88,328**	*3,29,88,328*
Sales Tax Demands by the Madhya Pradesh Sales Tax Authorities for the year 1997-98, 1998-99 and 1999-00.	**10,09,077**	*10,09,077*

30. Operating Lease: Company as lessor

The company has given the licensed premises on operating lease basis, the details of which are as follows:

Class of Asset	As at 31st Mar., 2021	*As at 31st Mar., 2020*
Gross carrying Amount	13,31,694	*13,31,694*
Accumulated Depreciation	9,00,490	*8,77,650*
Depreciation for the year	22,840	*22,840*

31. (a) Related party disclosures

Current Year

(a) Name of the Related Parties and Description of Relationship:

	Nature of Relationship		Name of entity	Abbreviation used
A	Ultimate Holding Company /	1	Shapoorji Pallonji and Company Private Limited	SPCL
	Holding Company	2	Forbes & Company Limited	F&CL
B	Subsidiary Companies	1	Forbes Campbell Services Limited	FCSL
C	Fellow Subsidiaries	1	Forbes Technosys Limited	FTL
	(where there are transactions)	2	Shapoorji Pallonji Forbes Shipping Limited	SPFSL
D	Joint Venture	1	Forbes Bumi Armada Limited	FBAL

Previous Year

	Nature of Relationship		*Name of entity*	*Abbreviation used*
A	*Ultimate Holding Company /*	*1*	*Shapoorji Pallonji and Company Private Limited*	*SPCL*
	Holding Company	*2*	*Forbes & Company Limited*	*F&CL*
B	*Subsidiary Companies*	*1*	*Forbes Campbell Services Limited*	*FCSL*
C	*Fellow Subsidiaries*	*1*	*Forbes Technosys Limited*	*FTL*
	(where there are transactions)	*2*	*Campbell Properties & Hospitality Services Limited*	*CP&HSL*
		3	*Volkart Fleming Shipping and Services Limited*	*VFSSL*
		4	*Shapoorji Pallonji Forbes Shipping Limited*	*SPFSL*
		5	*Delphi Properties Private Limited*	*DPPL*
D	*Joint Venture*	*1*	*Forbes Bumi Armada Limited*	*FBAL*

FORBES CAMPBELL FINANCE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 - Continued

31. Related party disclosures (contd.)

Current Period

₹

(b) transactions / balances with above mentioned related parties

		A	A		C	C		
		Shapoorji Pallonji and Company Pvt. Ltd.	Forbes & Company Ltd.	**Parties in A above**	Forbes Technosys Ltd.	Shapoorji Pallonji Forbes Shipping Ltd.	**Parties in C above**	**Total**
	Nature of Transaction							
	Balances							
1	Trade Receivables	-	1,38,750	**1,38,750**	-	-	**-**	**1,38,750**
2	Interest accrued but not due on ICD-RP / debentures	88,59,726	68,996	**89,28,722**	-	-	**-**	**89,28,722**
3	Interest accrued on investment / loan given	-	-	**-**	6,36,447	-	**6,36,447**	**6,36,447**
4	Prov for Interest Accrued on ICD -RP - Doubtful	-	-	**-**	6,36,447	-	**6,36,447**	**6,36,447**
5	Deposits Payable	10,00,00,000	-	**10,00,00,000**	-	-	**-**	**10,00,00,000**
6	Debentures held	-	4,96,11,989	**4,96,11,989**	-	-	**-**	**4,96,11,989**
	Expenses							
7	Interest	1,15,00,000	1,72,675	**1,16,72,675**	-	-	**-**	**1,16,72,675**
8	Prov for Interest Accrued on ICD -RP - Doubtful		-	**-**	6,36,447	-	**6,36,447**	**6,36,447**
9	Notional Interest on Debentures	-	51,60,800	**51,60,800**	-	-	**-**	**51,60,800**
10	Impairment of Investment in Associate/Doubtful Prov. Int. Accrued on ICD	-	-	**-**	19,65,65,597	-	**19,65,65,597**	**19,65,65,597**
11	Miscellaneous expenses	-	12	**12**	-	-	**-**	**12**
	Income							
12	Rent and Other Service Charges	-	1,50,000	**1,50,000**	-	-	**-**	**1,50,000**
13	Interest on Inter Corporate Deposits	-	-	**-**	3,21,918	2,40,011	**5,61,929**	**5,61,929**
	Finance							
14	Repayment of Inter Corporate Deposits Given	-	-	**-**	10,00,00,000	22,00,000	**10,22,00,000**	**10,22,00,000**
15	Investment in Equity Shares	-	-	**-**	10,00,00,000	-	**10,00,00,000**	**10,00,00,000**
	Guarantees outstanding							
16	Given on behalf of a Fellow Subsidiary	-	-	**-**	1,50,00,000	-	**1,50,00,000**	**1,50,00,000**

FORBES CAMPBELL FINANCE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 - Continued

31. Related party disclosures (contd.)

Previous Year ₹

(b) transactions / balances with above mentioned related parties

		A	A		C	C	C		
		Shapoorji Pallonji and Company Pvt. Ltd.	Forbes & Company Ltd.	**Parties in A above**	Forbes Technosys Ltd.	Delphi Properties Pvt. Ltd.	Shapoorji Pallonji Forbes Shipping Ltd.	**Parties in C above**	**Total**
	Nature of Transaction								
	Balances								
1	*Interest accrued but not due on ICD-RP / debentures*	37,61,066	77,078	**38,38,144**	-	-	-	**-**	**38,38,144**
2	*Interest accrued on investment / loan given*	-	-	**-**	3,46,721	-	55,810	**4,02,531**	**4,02,531**
3	*Deposits Receivable*	-	-	**-**	10,00,00,000	-	22,00,000	**10,22,00,000**	**10,22,00,000**
4	*Deposits Payable*	10,00,00,000	-	**10,00,00,000**	-	-	-	**-**	**10,00,00,000**
5	*Debentures held*	-	4,44,51,189	**4,44,51,189**	-	-	-	**-**	**4,44,51,189**
	Expenses								
6	*Interest*	41,78,962	1,72,675	**43,51,637**	-	62,923	-	**62,923**	**44,14,560**
7	*Notional Interest on Debentures*	-	46,20,206	**46,20,206**	-	-	-	**-**	**46,20,206**
8	*Impairment of Investment in Associate*	-	-	**-**	2,23,68,628	-	-	**2,23,68,628**	**2,23,68,628**
9	*Miscellaneous expenses*	-	12	**12**	-	-	-	**-**	**12**
	Income								
10	*Rent and Other Service Charges*	-	2,25,000	**2,25,000**	-	-	-	**-**	**2,25,000**
11	*Credit balances / excess provision written back*	-	-	**-**	59,090	-	-	**59,090**	**59,090**
12	*Interest on Investment*	-	-	**-**	38,19,315	-	-	**38,19,315**	**38,19,315**
13	*Interest on Inter Corporate Deposits*	-	-	**-**	3,85,246	-	1,24,154	**5,09,400**	**5,09,400**
14	*Dividend Received*	-	8,31,990	**8,31,990**	-	-	-	**-**	**8,31,990**
	Finance								
15	*Inter Corporate Deposits Given*	-	-	**-**	10,00,00,000	-	30,00,000	**10,30,00,000**	**10,30,00,000**
16	*Inter Corporate Deposits Taken*	25,00,00,000	-	**25,00,00,000**	-	40,00,000	-	**40,00,000**	**25,40,00,000**
17	*Investment in Non-convertible debentures*	-	-	**-**	25,32,73,699	-	-	**25,32,73,699**	**25,32,73,699**
18	*Repayment of Inter Corporate Deposits Taken*	15,00,00,000	-	**15,00,00,000**	-	40,00,000	8,00,000	**48,00,000**	**15,48,00,000**
19	*Repayment of Investment in Non-convertible debentures*	-	-	**-**	25,70,93,014	-	-	**25,70,93,014**	**25,70,93,014**
	Guarantees outstanding								
20	*Given on behalf of a Fellow Subsidiary*	-	-	**-**	1,50,00,000	-	-	**1,50,00,000**	**1,50,00,000**

32. 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 Given	During the Year Returned	Closing Balance	Period	Rate of Interest	Purpose
A	**Investments made**						
1	Forbes Campbell Services Limited	-	-	**4,93,994**	**N.A**	**N.A**	General Corporate Purpose
		-	-	*4,93,994*	*N.A*	*N.A*	
2	Forbes Technosys Limited *	-	-	**-**	**N.A**	**N.A**	General Corporate Purpose
	Equity Shares	-	-	*9,59,29,150*	*N.A*	*N.A*	
	Non-Convertible Debentures	-	-	**-**	**-**	**-**	General Corporate Purpose
		25,32,73,699	*25,70,93,014*	*-*	*49 Days*	*11.38%*	
3	Forbes Bumi Armada Limited	-	-	**2,80,56,395**	**N.A**	**N.A**	General Corporate Purpose
		-	-	*2,80,56,395*	*N.A*	*N.A*	
4	Svadeshi Mills Company Limited**	-	-	**-**	**N.A**	**N.A**	General Corporate Purpose
		-	-	-	*N.A*	*N.A*	
5	Forbes Edumetry Limited**	-	-	**-**	**N.A**	**N.A**	General Corporate Purpose
		-	-	-	*N.A*	*N.A*	
6	Forbes & Company Limited (At FV)	-	-	**28,69,61,672**	**N.A**	**N.A**	General Corporate Purpose
		-	-	*12,79,76,702*	*N.A*	*N.A*	
B	**Loans (Inter Corporate Deposit)/Advances given**						
1	Forbes Edumetry Limited**	-	-	**39,53,952**	**N.A**	**N.A**	General Corporate Purpose
		1,27,952	-	*39,53,952*	*N.A*	*N.A*	
2	Forbes Technosys Limited	-	-	**-**	**-**	**-**	General Corporate Purpose
		10,00,00,000	-	*10,00,00,000*	*< 1 Year*	*11.75%*	
3	Shapoorji Pallonji Forbes Shipping Limited	**-**	**22,00,000**	**-**	**-**	**-**	General Corporate Purpose
		30,00,000	*8,00,000*	*22,00,000*	*1 Year*	*11%*	
C	**Guarantee Given**						
1	Forbes Technosys Limited	-	-	**1,50,00,000**	**N.A**	**N.A**	General Corporate Purpose
		-	-	*1,50,00,000*	*N.A*	*N.A*	

* Investments net of Impairment
** Investments Impaired & Advances Provided
Figures in Italics are Previous Year's Figures

FORBES CAMPBELL FINANCE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 - Continued

33. Segment reporting

The Company has identified business segments as "Investment Activities" and "Real estate".

Segment revenue, segment results, segment assets and segment liabilities include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis.

Information about primary business segments for the year: ₹

Particulars	Investment Activities		Real Estate		Total	
	31st Mar., 2021	*31st Mar., 2020*	**31st Mar., 2021**	*31st Mar., 2020*	**31st Mar., 2021**	*31st Mar., 2020*
Segment Revenue	-	*8,91,080*	**3,00,000**	*5,99,194*	**3,00,000**	*14,90,274*
Inter segment revenue	-	-	-	-	-	-
Revenue from operations	-	*8,91,080*	**3,00,000**	*5,99,194*	**3,00,000**	*14,90,274*
Segment Results	(19,65,65,597)	*(2,14,77,548)*	2,06,252	*4,70,617*	(19,63,59,345)	*(2,10,06,931)*
Exceptional items allocated to segments	-	-	-	-	-	-
Segment Results after exceptional items	**(19,65,65,597)**	*(2,14,77,548)*	**2,06,252**	*4,70,617*	**(19,63,59,345)**	*(2,10,06,931)*
Add: Unallocated income					6,10,048	*43,93,700*
Less: Unallocated expenses					(2,04,04,141)	*(2,46,168)*
(Loss) / Profit before tax and finance costs					**(21,61,53,438)**	*(1,68,59,399)*
Less: Finance costs					1,68,36,095	*90,34,766*
(Loss) / Profit before tax					**(23,29,89,533)**	*(2,58,94,165)*
Provision for taxation:						
Current tax expense					-	-
(Loss) / Profit after tax					**(23,29,89,533)**	*(2,58,94,165)*
Capital employed						
Segment assets	**31,55,12,063**	*25,24,56,243*	**5,69,954**	*5,04,044*	**31,60,82,017**	*25,29,60,287*
Unallocated corporate assets					16,18,388	*12,75,54,777*
Total assets	**31,55,12,063**	*25,24,56,243*	**5,69,954**	*5,04,044*	**31,77,00,405**	*38,05,15,064*
Segment liabilities	**15,85,40,711**	*14,82,89,333*	**-**	*1,50,000*	**15,85,40,711**	*14,84,39,333*
Unallocated corporate liabilities					31,45,166	*20,56,640*
Total liabilities	**15,85,40,711**	*14,82,89,333*	**-**	*1,50,000*	**16,16,85,877**	*15,04,95,973*
Capital employed	**15,69,71,352**	*10,41,66,910*	**5,69,954**	*3,54,044*	**15,60,14,528**	*23,00,19,091*
Cost incurred to acquire segment assets including adjustments on account of capital work-in-progress	**-**	-	**-**	-	**-**	-
Unallocated cost incurred to acquire assets including adjustments on account of capital work-in-progress					-	-
Total capital expenditure					-	-
Segment depreciation / amortisation	-	-	**22,840**	*22,840*	**22,840**	*22,840*
Unallocated corporate depreciation / amortisation					-	-
Total depreciation / amortisation					**22,840**	*22,840*
Non-cash segment expenses other than depreciation	-	-	-	-	-	-
Unallocated non-cash expenses other than depreciation					-	-
Total non-cash expenses other than depreciation					-	-

34. Financial instruments

34.1. 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 16 offset by cash and bank balances) and equity of the Company (comprising issued capital, retained earnings, security premium, amalgamation capital redemption and other reserves as detailed in notes 14 & 15).

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 debentures. 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.

34.2 Gearing ratio

The gearing ratio at end of the period was as follows :- ₹

Particulars	As at 31st Mar., 2021	*As at 31st Mar., 2020*
Short Term Borrowings	10,00,00,000	*10,00,00,000*
Long Term Borrowings	4,96,11,989	*4,44,51,189*
Cash and bank balances	3,84,780	*49,57,351*
Net debt	**14,92,27,209**	*13,94,93,838*
Equity	**15,60,14,528**	*23,00,19,091*
Net debt to equity ratio (Refer Note a)	**0.96**	*0.61*

Note:-
a) Net Debt Equity Ratio = Long Term Borrowings and Short Term Borrowings (less Cash and Bank Balance) / Equity

34.3 Categories of financial instruments

₹

Particulars	Note	As at 31st Mar., 2021	*As at 31st Mar., 2020*
Financial assets			
a)Measured at Amortised Cost			
Trade receivables		1,38,750	*50,000*
Cash and bank balances		3,84,780	*49,57,351*
Loans (Inter Corporate Deposit)		-	*10,22,00,000*
Investments in subsidiaries		4,93,994	*4,93,994*
Investments in associates		-	*9,59,29,150*
Investments in joint ventures		2,80,56,395	*2,80,56,395*
Other Financial Assets		10,000	*4,43,151*
Sub Total- a		**2,90,83,919**	*23,21,30,041*
b)Measured at FVTOCI			
Equity Investment (Refer Note 9 A)	1	28,69,61,674	*12,79,76,702*
Sub Total- b		**28,69,61,674**	*12,79,76,702*
Total (a + b)		**31,60,45,593**	*36,01,06,743*
Financial liabilities			
Measured at Amortised Cost			
Borrowings		14,96,11,989	*14,44,51,189*
Trade and other payables		65,910	*58,600*
Other financial liabilities		89,28,722	*39,88,144*
Total		**15,86,06,621**	*14,84,97,933*

Note 1 :- Fair Value of 1,66,398 number of equity shares of face value of Rs. 10 each held in Forbes & Company Limited (Holding Company) is valued at quoted prices as fair value hierarchy of level 1.

34.4 Financial risk management objectives

The company monitors and manages the financial risks to the operations of the company . These risks include credit risk and liquidity risk.

a) Credit risk management

Based on the Company's monitoring of customer credit risk, the company believes that no impairment allowance is necessary in respect of trade receivables that are not past due or past due but not more than one year.

b) Liquidity risk management

Liquidity Risk Management implies maintenance of sufficient cash and bank balance to meet obligations when due. The company manages liquidity risk by short & long term borrowings and maintaining adequate funds , by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

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 undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the rate applicable as of March 31, 2021 and March 31, 2020 respectively has been considered. The contractual maturity is based on the earliest date on which the Company may be required to pay.

₹

Maturities of Financial Liabilities	**31st Mar., 2021**			
	Upto 1 year	**1 to 3 years**	**3 to 5 years**	**5 years & above**
Borrowings	10,00,00,000	-	-	17,26,75,000
Trade Payables	65,910			
Other Financial Liabilities	89,28,722			
	10,89,94,632	**-**	**-**	**17,26,75,000**

₹

Maturities of Financial Liabilities	*31st Mar., 2020*			
	Upto 1 year	*1 to 3 years*	*3 to 5 years*	*5 years & above*
Borrowings	*10,00,00,000*	-	-	*17,26,75,000*
Trade Payables	*58,600*			
Other Financial Liabilities	*39,88,144*			
	10,40,46,744	-	-	*17,26,75,000*

35. Micro, Small and Medium Enterprises

On the basis of responses received against enquiries made by the Company, there is an amount of ₹ 56,650 outstanding in respect of Micro and Small Enterprises covered under the Micro, Small and Medium Enterprises Development Act, 2006 as at the Balance Sheet date. The Company has not defaulted in payment of dues to such entities during the year.

36. Exceptional Item

During the year ended March 31, 2021, Forbes Technosys Limited (FTL) has incurred a loss and its accumulated losses has fully eroded its Net Worth. Also its current liabilities are in excess of its current assets. The present situation coupled with the impact of Covid-19 has resulted in a decline in the recoverable value of investment in FTL, consequent to which full value of investment along with the accrued interest has been impaired.

37. Net debt reconciliation

₹

	31st Mar., 2021	*31st Mar., 2020*
Short Term Borrowings	(10,00,00,000)	*(10,00,00,000)*
Long Term Borrowings	(4,96,11,989)	*(4,44,51,189)*
Total debt	**(14,96,11,989)**	*(14,44,51,189)*
Cash & Cash equivalents	3,84,780	*49,57,351*
Net debt	**(14,92,27,209)**	*(13,94,93,838)*

₹

	Other assets	**Liabilities from financing activities**		
	Cash and bank overdraft	**Long Term Borrowings**	**Short Term Borrowings**	**Total**
Net debt as at 1st April, 2020	**49,57,351**	**(4,44,51,189)**	**(10,00,00,000)**	**(13,94,93,838)**
Cash flows	(45,72,571)	-	-	**(45,72,571)**
Interest expense	-	(51,60,800)	-	**(51,60,800)**
Interest paid	-	-	-	**-**
Net debt as at 31st Mar., 2021	**3,84,780**	**(4,96,11,989)**	**(10,00,00,000)**	**(14,92,27,209)**

38. The Company has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of these financial statements including the recoverability of carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company has, at the date of approval of these financial statements, used internal and external sources of information and expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

39. During the financial year 19-20 the Company being a significant shareholder of Forbes Technosys Limited (FTL) had extended an inter corporate deposit(ICD) of Rs. 10,00,00,000/- with an option to convert the same into Equity Investments to FTL vide resolution passed by the Board of Directors on January 29, 2020. The Company on April 10, 2020 converted its outstanding ICD into its Equity investment.

40. Figures for the previous year have been regrouped wherever necessary.

As per our report of even date
For BATLIBOI & PUROHIT
Chartered Accountants
Firm Reg No:101048W

Janak Mehta
Partner
Membership No.: 116976
Mumbai, 21st May, 2021

SHRIKRISHNA BHAVE ____________________ *Chairperson*

NIRMAL JAGAWAT ____________________

RAVINDER PREM ____________________ *Directors*

PANKAJ KHATTAR ____________________

Mumbai, 21st May, 2021

FORBES CAMPBELL SERVICES LIMITED
(Subsidiary Company of Forbes Campbell Finance Limited)

Financial Statements
For the Year ended March 31, 2021

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF FORBES CAMPBELL SERVICES LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of FORBES CAMPBELL SERVICES LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March 2021, and the Statement of Profit and Loss, Statement of changes in equity and Statement of Cash Flows for the year then ended, and Notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information. (herein after referred to 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 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of

ATUL HMV & ASSOCIATES LLP MUMBAI Chartered Accountants

the financial statements under the provisions of the Companies Act, 2013 and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements & Auditor's Report Thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Board report,but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's management and Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and

ATUL HMV & ASSOCIATES LLP MUMBAI Chartered Accountants

application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Board of Directors is also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

i. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis of our opinion. The risk

ATUL HMV & ASSOCIATES LLP * MUMBAI * Chartered Accountants of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involvecollusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

ii. 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

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

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

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.

ATUL HMV & ASSOCIATES LLP * MUMBAI * Chartered Accountants

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the

ATUL HMV & ASSOCIATES LLP MUMBAI Chartered Accountants

directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(g) 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 does not have any pending litigationswhich would impact its financial position in its Standalone financial statements.

ii.The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii.There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Atul HMV & Associates LLP
Chartered Accountants

FRN: 124043W

ATUL HMV & ASSOCIATES LLP * CHARTERED ACCOUNTANTS * MUMBAI Reg. No. 124043W

Hemanshu M. Vora
Partner

Mem. No. 100283

Place: Mumbai

Date: 21st May,2021

UDIN No.:21100283AAAABA1555

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

Annexure A referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" Section of our Report of even date to the Members of FORBES CAMPBELL SERVICES LTD (the Company), on the Standalone Financial Statements for the year ended March 31 2021, we report that:

(i) The company does not have any fixed assets. Accordingly the provisions of clause 3 (i) of the Companies (Auditor's report) Order, 2016 are not applicable.

(ii) The company does not have any inventory. Accordingly the provisions of clause 3 (ii) of the Companies (Auditor's report) Order, 2016 are not applicable.

(iii) According to information and explanations given to us, The Company has granted unsecured loans to one body corporate, covered in the register maintained in Sec 189 of the Companies Act, 2013 in respect of which:

(a) The terms and conditions of the grant of such loan are, in our opinion, prima facie, not prejudicial to the Company's interest.

(b) The schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts of interest amount have been regular as per the stipulations.

(c) There is no overdue amount remaining outstanding as at the year-end

(iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans given, investments made, guarantees and securities given.

(v) The Company has not accepted any deposits within the meaning of provisions of Section 73 to 76 of the Act or any other relevant provision of the Companies Act, 2013 and the rules framed there under.

(vi) The Central Government has not prescribed the maintenance of cost records under subsection (1) of section 148 of the Act, for any services rendered by the Company.

(vii) (a) According to information and explanations given to us and the records of the company examined by us, the Company is generally regular in depositing with

ATUL SHAH & ASSOCIATES LLP MUMBAI Chartered Accountants appropriate authorities undisputed statutory dues including provident fund, employee's state insurance, income tax, and Goods and Service tax (GST). The provisions of Sales Tax, Value Added Tax, Customs Duty, Excise Duty and Cess are not applicable to the company

(b) As per information and explanation given to us, there are no dues of income tax or sales tax or service tax or Goods and Service tax (GST) or duty of customs or duty of excise or value added tax which has not been deposited on account of dispute.

(viii) In our opinion and according to the information and explanations given to us, the Company has not availed any loans or borrowings from banks, financial institutions or government or issued any debentures. Thus, provisions of clause 3 (viii) of the Companies (Auditor's report) Order, 2016 are not applicable.

(ix) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instrument) and terms loans. Thus, provisions of clause 3 (ix) of the Companies (Auditor's report) Order, 2016 are not applicable.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the year.

(xi) According to information and explanations given to us, the Company has not provided any managerial remuneration. Thus, provisions of clause 3 (xi) of the Companies (Auditor's report) Order, 2016 are not applicable.

(xii) The Company is not a Nidhi Company. Thus, provisions of clause 3 (xii) of the Companies (Auditor's report) Order, 2016 are not applicable.

(xiii) According to the information and explanations given to us and the records examined, all the transaction with related parties are in compliance with section 177 and 188 of the Companies Act, 2013 and details have been disclosed in the financial statement etc. as required by the applicable Accounting Standards.

(xiv) According to the information and explanation given to us, company has not made any preferential allotment or private placement of shares or fully or partly convertible debenture during the year under review and hence provisions of this clause are not applicable.

ATUL HMV & ASSOCIATES LLP MUMBAI Chartered Accountants

(xv) According to the information and explanations given to us, company has not entered into any non–cash transaction with director or persons connected with him.

(xvi) According to the information and explanations given to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Atul HMV & Associates LLP
Chartered Accountants

FRN No: 124043W

ATUL HMV & ASSOCIATES LLP
MUMBAI
Reg. No.
124043W
CHARTERED ACCOUNTANTS

Hemanshu M. Vora
Partner

Membership No. 100283

Place: Mumbai

Date: 21st May,2021

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THEFINANCIAL STATEMENTS OF FORBES CAMPBELL SERVICES LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 ofSection 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Forbes Campbell ServicesLimited ("the Company") as of March 31, 2021 in conjunction with our audit of thestandalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financialcontrols based on the internal control over financial reporting criteriaestablished by the Company considering the essential components of internal control stated inthe Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued bythe Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operatingeffectively for ensuring the orderly and efficient conduct of its business, includingadherence tocompany's policies, the safeguarding of its assets, the prevention and detection of frauds anderrors, the accuracy and completeness of the accounting records, and the timely preparation ofreliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls overfinancial reporting based on our audit. We conducted our audit in accordance withthe Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the"Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribedunder section 143(10) of the Companies Act, 2013, to the extent applicable to an audit ofinternal financial controls, both

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applicable to an audit of Internal Financial Controls and, bothissued by the Institute of Chartered Accountants of India. Those Standards and the GuidanceNote require that we comply with ethical requirements and plan and perform the audit toobtain reasonable assurance about whether adequate internal financial controls over financialreporting was established and maintained and if such controls operated effectively in all materialrespects.

Our audit involves performing procedures to obtain audit evidence about the adequacy ofthe internal financial controls system over financial reporting and their operating effectiveness.Our audit of internal financial controls over financial reporting included obtaining anunderstanding of internal financial controls over financial reporting, assessing the risk that amaterial weakness exists, and testing and evaluating the design and operating effectiveness ofinternal 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 financialstatements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to providereasonable assurance regarding the reliability of financial reporting and the preparation offinancial statements for external purposes in accordance with generally accepted accountingprinciples. A company's internal financial control over financial reporting includes those policiesand 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 preparationof financial statements in accordance with generally accepted accounting principles, and thatreceipts and expenditures of the company are being

ATUL HMV & ASSOCIATES LLP MUMBAI Chartered Accountants

made only in accordance with authorizations of management and directors of the company; and (3) provide reasonableassurance regarding prevention or timely detection of unauthorized acquisition, use, ordisposition 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, includingthe possibility of collusion or improper management override of controls, material misstatementsdue to error or fraud may occur and not be detected. Also, projections of any evaluation of theinternal financial controls over financial reporting to future periods are subject to the risk that theinternal financial control over financial reporting may become inadequate because of changes inconditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financialcontrols system over financial reporting and such internal financial controls over financialreporting were operating effectively as at March 31, 2021, based on internal control over financial reporting criteria established by the Company considering theessential components of internal control stated in the Guidance Note on Audit of InternalFinancial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Atul HMV & Associates LLP
Chartered Accountants

FRN No: 124043W

Hemanshu M. Vora
Partner

Membership No. 100283

Place: Mumbai

Date: 21st May,2021

ATUL HMV & ASSOCIATES LLP * MUMBAI Reg. No. 124043W * CHARTERED ACCOUNTANTS *

FORBES CAMPBELL SERVICES LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2021

Particulars	Note No.	As at 31st Mar., 2021 ₹	*As at 31st Mar., 2020 ₹*
ASSETS			
1 Non-current assets			
a **Financial Assets:**			
i) Other financial assets	**5A**	**1,04,777**	*1,04,777*
		1,04,777	*1,04,777*
b **Tax assets**			
i) Deferred tax assets (net)	**12**	**13,458**	*18,333*
ii) Current tax assets (net)	**15**	**33,796**	*28,140*
		47,254	*46,473*
c Other non-current assets	**7A**	**-**	*-*
Total Non-current assets		**1,52,031**	*1,51,250*
2 Current assets			
a **Financial Assets:**			
i) Trade receivables	**3**	**-**	*75,400*
ii) Cash and cash equivalents	**6**	**26,31,860**	*2,81,892*
iii) Loans	**4**	**-**	*21,00,000*
iv) Other financial assets	**5B**	**-**	*51,535*
		26,31,860	*25,08,827*
b Other current assets	**7B**	**7,589**	*492*
Total Current assets		**26,39,449**	*25,09,319*
Total Assets		**27,91,480**	*26,60,569*
EQUITY AND LIABILITIES			
Equity			
a Equity share capital	**8**	**5,00,000**	*5,00,000*
b Other equity	**9**	**19,81,689**	*17,03,558*
Equity attributable to owners of the Company		**24,81,689**	*22,03,558*
Total Equity		**24,81,689**	*22,03,558*
Liabilities			
1 Non-current liabilities			
a Provisions	**11A**	**1,06,682**	*1,17,990*
Total Non-current liabilities		**1,06,682**	*1,17,990*
2 Current liabilities			
a **Financial liabilities:**			
i) Trade and other payables	**14**	**1,40,855**	*2,48,180*
ii) Other financial liabilities	**10**	**-**	*4,699*
		1,40,855	*2,52,879*
b Provisions	**11B**	**3,209**	*10,650*
c Current tax liabilities (net)	**15**	**-**	*250*
d Other current liabilities	**13**	**59,045**	*75,242*
Total Current Liabilities		**2,03,109**	*3,39,021*
Total Liabilities		**3,09,791**	*4,57,011*
Total Equity and Liabilities		**27,91,480**	*26,60,569*

See accompanying notes forming part of the financial statements

In terms of our report attached
For Atul HMV & Associates LLP
Chartered Accountants
FRN No: 124043W

Hemanshu M. Vora
Partner
Mem No.: 100283
Mumbai, 21st May, 2021

SHRIKRISHNA BHAVE ____________________ *Chairperson*

NIRMAL JAGAWAT ______________________

RAVINDER PREM ______________________ *Directors*

PANKAJ KHATTAR ______________________

Mumbai, 21st May, 2021

FORBES CAMPBELL SERVICES LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021

	Particulars	Note No.	Year Ended 31st Mar., 2021 ₹	*Year Ended 31st Mar., 2020 ₹*
I	Revenue from operations	**16**	**27,72,000**	*33,20,000*
II	Other income	**17**	**2,20,239**	*1,47,467*
III	**Total Income (I + II)**		**29,92,239**	*34,67,467*
IV	**Expenses:**			
	Employee benefits expense	**18**	**19,04,360**	*17,10,545*
	Other expenses	**19**	**7,11,873**	*12,94,596*
	Total expenses		**26,16,233**	*30,05,141*
V	**Profit / (loss) before exceptional items and tax (III - IV)**		**3,76,006**	*4,62,326*
VI	Exceptional items		**-**	*-*
VII	**Profit / (Loss) before tax (V + VI)**		**3,76,006**	*4,62,326*
VIII	**Tax expense / (credit):**			
	Current tax	**20**	**93,000**	*1,23,572*
	Deferred tax	**20**	**4,875**	*(4,261)*
			97,875	*1,19,311*
IX	**Profit for the period (VII - VIII)**		**2,78,131**	*3,43,015*
XII	**Earning per equity share :**			
	Basic and diluted earnings per equity share	**21**	**₹ 5.56**	₹ *6.86*

See accompanying notes forming part of the financial statements

In terms of our report attached
For Atul HMV & Associates LLP
Chartered Accountants
FRN No: 124043W

Hemanshu M. Vora
Partner
Mem No.: 100283
Mumbai, 21st May, 2021

SHRIKRISHNA BHAVE ________________ *Chairperson*

NIRMAL JAGAWAT ________________

RAVINDER PREM ________________ *Directors*

PANKAJ KHATTAR ________________

Mumbai, 21st May, 2021

FORBES CAMPBELL SERVICES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 - Continued

		Year Ended 31st Mar., 2021 ₹		*Year Ended 31st Mar., 2020 ₹*
Cash flows from operating activities				
Profit before tax		**3,76,006**		*4,62,326*
Adjustments for -				
Interest Income	(2,20,239)		*(1,47,467)*	
		(2,20,239)		*(1,47,467)*
Operating profit / (loss) before working capital changes		**1,55,767**		*3,14,859*
Movements in working capital:				
Decrease / (increase) in trade receivables and other receivables	21,75,400		*4,40,800*	
(Increase)/decrease in other assets	(7,097)		-	
Increase / (decrease) in trade payables and other payables	(1,12,024)		*1,20,442*	
Increase / (decrease) in provisions	(18,749)		*16,390*	
Increase / (decrease) in other liabilities	(16,197)		*14,192*	
		20,21,333		*5,91,824*
Cash generated from / (used in) operations		**21,77,100**		*9,06,683*
Income taxes paid (net of refunds)		**(98,906)**		*(1,17,575)*
(a) Net cash generated from / (used in) operating activities		**20,78,194**		*7,89,108*
Cash flows from investing activities:				
Inter-corporate deposits placed with related parties	-		*(23,50,000)*	
Inter-corporate deposits refunded by related parties	-		2,50,000	
Interest received	2,71,774		*1,02,261*	
(b) Net cash generated from / (used in) investing activities		**2,71,774**		*(19,97,739)*
Cash flows from financing activities:				
(c) Net cash generated from / (used in) financing activities		**-**		-
(d) Net increase / (decrease) in cash and cash equivalents (a + b + c)		**23,49,968**		*(12,08,631)*
(e) Cash and cash equivalents as at the commencement of the year		**2,81,892**		*14,90,523*
(f) Cash and cash equivalents as at the end of the year (d + e)		**26,31,860**		*2,81,892*

See accompanying notes forming part of the financial statements

In terms of our report attached
For Atul HMV & Associates LLP
Chartered Accountants
FRN No: 124043W

Hemanshu M. Vora
Partner
Mem No.: 100283
Mumbai, 21st May, 2021

SHRIKRISHNA BHAVE ________________________ *Chairperson*

NIRMAL JAGAWAT ________________________

RAVINDER PREM ________________________ *Directors*

PANKAJ KHATTAR ________________________

Mumbai, 21st May, 2021

Statement of changes in equity for the year ended 31st March, 2021

A. Equity share capital

	No.of Shares	Amount
		₹
Balance at 31st March, 2020	**50,000**	**5,00,000**
Changes in equity share capital during the period	-	-
Balance at 31st March, 2021	**50,000**	**5,00,000**

B. Other Equity

₹

	Attributable to Owners	
	Reserves and surplus	Total Other Equity
	Retained earnings	Total
Total comprehensive income for the year 31st March, 2020	17,03,558	**17,03,558**
Profit for the period	2,78,131	**2,78,131**
Total comprehensive income for the year ending 31st March, 2021	19,81,689	**19,81,689**

See accompanying notes forming part of the financial statements

In terms of our report attached
For Atul HMV & Associates LLP
Chartered Accountants
FRN No: 124043W

Hemanshu M. Vora
Partner
Mem No.: 100283
Mumbai, 21st May, 2021

SHRIKRISHNA BHAVE ______________________ *Chairperson*

NIRMAL JAGAWAT ______________________

RAVINDER PREM ______________________ *Directors*

PANKAJ KHATTAR ______________________

Mumbai, 21st May, 2021

1. GENERAL INFORMATION

Forbes Campell Services Limited was incorporated on 7th January, 1975 in India having registered office 21 A.K. Nayak Marg, Fort, Mumbai 400 001. The Company is subsidiary of Forbes Campbell Finance Limited and is mainly engaged in the rendering of services.

2. SIGNIFICANT ACCOUNTING POLICIES

i) Statement of Compliance

The separate financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of Companies Act, 2013 [Companies (Indian Accounting Standards) Rules, 2015].

ii) Basis of Preparation and Presentation

The separate financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period

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 the purpose of classification of its assets and liabilities as current and non current .

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

iii) Financial instruments

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

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

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

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 profit or loss. The net gain or loss recognised in profit or 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 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 transactions that are within the scope of Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a Company entity 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.

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. 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 and payable is recognised in profit or loss.

iv) 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.

v) Employee Benefits

a) Short-term obligations

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 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 benefit obligations

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 profit or 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 provident fund, pension
- Defined Benefit plans such as gratuity

d) Defined Contribution Plans

The Company's contribution to provident 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.

e) Defined Benefit Plan

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity. Provisions for liabilities in respect of gratuity are based on Employees Group Gratuity Scheme with Life Insurance Corporation of India and are administered through trust formed for this purposes. The liability, if any, not provided for will be accounted in the year of payment.

vi) 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.

Contingent liability is disclosed for (i) Possible obligations which will be confirmed only by 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.

vii) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.
Income from services is recognised as and when the services are performed.
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.

viii) Taxes on Income

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. 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 separate 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.

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.
Current and deferred tax are recognised in profit or 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.

ix) Cash and Cash Equivalents

In the cash flow statement, cash and cash equivalents includes cash on hand, cheques, drafts on hand, balances in current accounts with banks, other bank deposits with original maturities of three months or less.

x) Segment Reporting

As the company's activity falls within a single segment viz. Service activities, the disclosure requirements in Accounting Standard on Segment Reporting (AS - 17) notified under the Companies (Accounts) Rules, 2014 is not applicable.

FORBES CAMPBELL SERVICES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 - Continued

3. Trade receivables

Trade receivables- Current

Particulars	As at 31st Mar., 2021	As at 31st Mar., 2020
Trade receivables		
a) Unsecured, considered good	-	*75,400*
Less: Allowance for doubtful debts	-	-
Total	**-**	*75,400*

4. Loans

Loans -

₹

Particulars	As at 31st Mar., 2021	As at 31st Mar., 2020
a) Loans to related parties		
- Unsecured, considered good	-	*21,00,000*
- Doubtful	-	-
Less : Allowance for bad and doubtful loans	-	-
Total	**-**	*21,00,000*

5. Other financial assets

5A. Other financial assets - Non current

₹

Particulars	As at 31st Mar., 2021	As at 31st Mar., 2020
a) Security deposits		
- Unsecured, considered good	1,04,777	*1,04,777*
Less : Allowance for bad and doubtful loans / deposits	-	-
Total	**1,04,777**	*1,04,777*

5B. Other financial assets - Current

Particulars	As at 31st Mar., 2021	As at 31st Mar., 2020
a) Accruals:		
i) Interest accrued on deposits with bank	-	-
ii) Interest accrued on loans to related parties	-	*51,535*
Total	**-**	*51,535*

FORBES CAMPBELL SERVICES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 - Continued

6. Cash and cash equivalents

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

₹

Particulars	As at 31st Mar., 2021	*As at 31st Mar., 2020*
Balances with Banks		
a) In current accounts	26,31,860	*2,70,292*
b) Deposits accounts	-	-
	26,31,860	*2,70,292*
Cheques, drafts on hand/ in transit	-	*11,600*
Cash on hand	-	-
Cash and cash equivalents as per balance sheet	**26,31,860**	*2,81,892*

7. Other assets

₹

7A. Other assets - Non Current

Particulars	As at 31st Mar., 2021	*As at 31st Mar., 2020*
a) Balances with statutory / government authorities		
- Unsecured, considered good	-	-
- Doubtful	-	-
Less : Allowance for doubtful balances	-	-
	-	-
b) Advance wealth tax (net of provision)	-	-
sub total (a)	**-**	-

7B. Other assets - Current

Particulars	As at 31st Mar., 2021	*As at 31st Mar., 2020*
a) Advances for supply of goods and services		
- Unsecured, considered good	492	*492*
Less : Allowance for doubtful advances	-	-
	492	*492*
b) Prepaid expenses	7,097	-
Total	**7,589**	*492*

FORBES CAMPBELL SERVICES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 - Continued

8. Equity Share Capital

₹

Particulars	As at 31st Mar., 2021	*As at 31st Mar., 2020*
Authorised Share capital :		
50,000 fully paid equity shares of ₹ 10 each	**5,00,000**	*5,00,000*
Issued and subscribed capital comprises:		
50,000 fully paid equity shares of ₹ 10 each *(Previous year : 50,000)*	**5,00,000**	*5,00,000*
	5,00,000	*5,00,000*

8. 1 Fully paid equity shares

Particulars	Number of shares	Share capital (Amount)
Balance at March 31, 2020	**50,000**	**5,00,000**
Movements	-	-
Balance at March 31, 2021	**50,000**	**5,00,000**

Fully paid equity shares, which have a par value of ₹ 10, carry one vote per share and carry a right to dividends.

8. 2 Details of shares held by the holding company, the ultimate controlling party, their subsidiaries and

Particulars	Fully paid ordinary shares	
	As at 31st Mar., 2021	*As at 31st Mar., 2020*
Balance at the beginning of the period		
The holding company	**49,000**	*49,000*
The ultimate controlling party	-	-
Subsidiaries of the holding company	-	-
Total	**49,000**	*49,000*

8. 3 Details of shares held by each shareholder holding more than 5% shares

Particulars	As at 31st Mar., 2021		*As at 31st Mar., 2020*	
	Number of shares held	% holding in the class of shares	*Number of shares held*	*% holding in the class of shares*
Fully paid equity shares				
Forbes Campbell Finance Limited	**49,000**	**98.00**	*49,000*	*98.00*
Total	**49,000**	**98.00**	*49,000*	*98.00*

9. Other equity excluding non-controlling interests

₹

Particulars	As at 31st Mar., 2021	*As at 31st Mar., 2020*
a) Retained earnings		
Balance at beginning of year	**17,03,558**	*13,60,543*
Profit attributable to owners of the Company	**2,78,131**	*3,43,015*
Balance at end of the year	**19,81,689**	*17,03,558*
b) Others	**-**	-
Total	**19,81,689**	*17,03,558*

10. Other financial liabilities

Other financial liabilities - Current

₹

Particulars	As at 31st Mar., 2021	*As at 31st Mar., 2020*
a) Other payables	-	*4,699*
Total	-	*4,699*

11. Provisions

₹

11A. Provisions - Non current

Particulars	As at 31st Mar., 2021	*As at 31st Mar., 2020*
a) Employee benefits		
Compensated absences	**1,06,682**	*1,17,990*
Total	**1,06,682**	*1,17,990*

11B. Provisions - Current

Particulars	As at 31st Mar., 2021	*As at 31st Mar., 2020*
a) Employee benefits		
Compensated absences	**3,209**	*10,650*
Total	**3,209**	*10,650*

12. Deferred tax balances

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

₹

Particulars	As at 31st Mar., 2021	*As at 31st Mar., 2020*
Deferred tax assets	**13,458**	*18,333*
Deferred tax liabilities	-	*-*
Net	**13,458**	*18,333*

Current Year (2020-21)

₹

Particulars	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Recognised directly in equity	Closing balance
Deferred tax (liabilities)/assets in relation to:					
a) Provisions	18,333	(4,875)	-	-	13,458
Total (A) ...	**18,333**	**(4,875)**	**-**	**-**	**13,458**
b) Tax losses					-
Total (B) ...	**-**	**-**	**-**	**-**	**-**
Total (A+B) ...	**18,333**	**(4,875)**	**-**	**-**	**13,458**

Previous Year (2019-20)

₹

Particulars	*Opening balance*	*Recognised in profit or loss*	*Recognised in other comprehensive income*	*Recognised directly in equity*	*Closing balance*
Deferred tax (liabilities)/assets in relation to:					
a) Provisions	*14,072*	*4,261*	*-*	*-*	*18,333*
Total (A) ...	*14,072*	*4,261*	*-*	*-*	*18,333*
b) Tax losses					*-*
Total (B) ...	*-*	*-*	*-*	*-*	*-*
Total (A+B) ...	*14,072*	*4,261*	*-*	*-*	*18,333*

13. Other current liabilities

₹

Particulars	As at 31st Mar., 2021	As at 31st Mar., 2020
a) Advances	-	-
b) Statutory remittances	59,045	75,242
Total	**59,045**	*75,242*

14. Trade payables

₹

Trade payables - Current

Particulars	As at 31st Mar., 2021	As at 31st Mar., 2020
a) Trade payables	1,40,855	2,48,180
Total	**1,40,855**	*2,48,180*

15. Current tax assets and liabilities

₹

Particulars	As at 31st Mar., 2021	As at 31st Mar., 2020
Current tax assets		
Benefit of tax losses to be carried back to recover taxes paid in prior periods	-	-
Tax refund receivable (net of provision for tax)	33,796	28,140
Others [describe]	-	-
	33,796	28,140
Current tax liabilities		
Income tax payable (net of advance tax)	-	250
Others [describe]	-	-
	-	250
Current Tax Assets (current portion)	-	-
Current Tax Assets (non-current portion)	33,796	28,140

FORBES CAMPBELL SERVICES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 - Continued

16. Revenue from operations

₹

Particulars	Year Ended 31st Mar., 2021	*Year Ended 31st Mar., 2020*
a) **Sale of services**		
i) Service Charges	27,72,000	*33,20,000*
Total	**27,72,000**	*33,20,000*

17. Other Income

a) Interest Income

Particulars	Year Ended 31st Mar., 2021	*Year Ended 31st Mar., 2020*
i) On Bank deposits	-	*25,758*
ii) Inter-corporate deposit	2,20,239	*1,20,309*
iii) On Income Tax refund	-	*1,400*
Total	**2,20,239**	*1,47,467*

FORBES CAMPBELL SERVICES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 - Continued

18. Employee benefits expense

₹

	Particulars	Year Ended 31st Mar., 2021	*Year Ended 31st Mar., 2020*
i)	Salaries and Wages	16,36,869	*15,19,674*
ii)	Contribution to provident and other funds	1,42,976	*1,45,644*
iii)	Staff Welfare Expenses	1,24,515	*45,227*
	Total	**19,04,360**	*17,10,545*

19. Other expenses

₹

	Particulars	Year Ended 31st Mar., 2021	*Year Ended 31st Mar., 2020*
a)	Insurance	35,483	-
b)	Rates and taxes (excluding taxes on income)	2,500	*2,500*
c)	Printing & Stationery	118	*3,149*
d)	Legal and professional charges	6,02,437	*12,19,385*
e)	Travelling and conveyance	4,050	*11,672*
f)	Miscellaneous expenses	19,785	*25,390*
	Sub Total (a)	**6,64,373**	*12,62,096*
g)	**Payment to Statutory auditors**		
	i) For audit	32,500	*25,000*
	ii) For other services	15,000	*7,500*
	Sub Total (b)	**47,500**	*32,500*
	Total (a + b)	**7,11,873**	*12,94,596*

FORBES CAMPBELL SERVICES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 - Continued

20. Income taxes relating to continuing operations

₹

20.1 Income tax recognised in profit or loss

Particulars	Year Ended 31st Mar., 2021	Year Ended 31st Mar., 2020
Current tax		
In respect of the current year	**93,000**	*1,25,000*
In respect of prior years	-	*(1,428)*
	93,000	*1,23,572*
Deferred tax		
In respect of the current year	4,875	*(4,261)*
	4,875	*(4,261)*
Total income tax expense recognised in the current year relating to continuing Operations	**97,875**	*1,19,311*

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

Particulars	Year Ended 31st Mar., 2021	Year Ended 31st Mar., 2020
Profit before tax from continuing operations	**3,76,006**	*4,62,326*
Income tax expense calculated at 26% (2018-19: 26%)	97,762	*1,20,205*
Effect of expenses that are deductible in determining taxable profit on payment/reversal	-	-
Others	113	*534*
Adjustments recognised in the current year in relation to the current tax of prior years	-	*(1,428)*
Income tax expense recognised in profit or loss (relating to continuing operations)	**97,875**	*1,19,311*

The tax rate used for the 2020-2021 and 2019-2020 reconciliations above is the corporate tax rate payable by corporate entities in India on taxable profits under the Indian tax law.

FORBES CAMPBELL SERVICES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 - Continued

21. Earnings per share

Particulars	**Year Ended 31st Mar., 2021**	*Year Ended 31st Mar., 2020*
From Continuing operations	**₹ per share**	*₹ per share*
Basic earnings per share	**5.56**	*6.86*
Diluted earnings per share	**5.56**	*6.86*

21.1 Basic Earnings per share

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

₹

Particulars	**Year Ended 31st Mar., 2021**	*Year Ended 31st Mar., 2020*
Profit for the year attributable to owners of the Company (A)	**2,78,131**	*3,43,015*
Weighted average number of equity shares for the purposes of basic earnings per share (B)	**50,000**	*50,000*
Basic Earnings per share (A/B)	**5.56**	*6.86*

21.2 Diluted earnings per share

The earnings used in the calculation of diluted earnings per share are as follows.

The weighted average number of equity shares for the purpose of diluted earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings per share as follows:

₹

Particulars	**Year Ended 31st Mar., 2021**	*Year Ended 31st Mar., 2020*
Earnings used in the calculation of basic earnings per share	**2,78,131**	*3,43,015*
Adjustments	**-**	*-*
Earnings used in the calculation of diluted earnings per share (A)	**2,78,131**	*3,43,015*
Weighted average number of equity shares used in the calculation of basic earnings per share	**50,000**	*50,000*
Weighted average number of equity shares used in the calculation of diluted earnings per share (B)	**50,000**	*50,000*
Diluted earnings per share (A/B)	**5.56**	*6.86*

FORBES CAMPBELL SERVICES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 - Continued

22. (a) Related party disclosures

(A) Holding Company / Ultimate Holding Company

1. Shapoorji Pallonji & Company Limited (*Ultimate Holding Company*)
2. Forbes & Company Limited (*Intermediary Holding Company*)
3. Forbes Campbell Finance Limited (*Holding Company*)

(B) Fellow Subsidiaries (where there are transactions)

1. Campbell Properties & Hospitality Services Ltd.
2. Volkart Fleming Shipping & Services Ltd.
3. Shapoorji Pallonji Forbes Shipping Ltd.

Current year

(b) transactions/ balances with above mentioned related parties ₹

		A		B	B		
		Forbes & Company Ltd.	**Parties in A above**	Volkart Fleming Shipping and Services Ltd.	Shapoorji Pallonji Forbes Shipping Ltd.	**Parties in B above**	**Total**
	Nature of Transaction						
	Sales / Services						
	4 Services Rendered	26,22,000	**26,22,000**	1,50,000	-	**1,50,000**	**27,72,000**
	Expenses						
	5 Miscellaneous expenses	12	**12**	-	-	-	**12**
	Income						
	6 Interest on Inter Corporate Deposits	-	-	-	2,20,239	**2,20,239**	**2,20,239**
	Other Receipts / Payments						
	7 Other Reimbursements (Payments)	-	-	-	-	-	-
	Finance						
	8 Deposits Given	-	-	-	-	-	-
	9 Repayment of Deposits Given	-	-	-	21,00,000	**21,00,000**	**21,00,000**

Related party disclosures (contd.)

Previous year

(b) transactions/ balances with above mentioned related parties ₹

		A		*B*	*B*		
		Forbes & Company Ltd.	***Parties in A above***	*Volkart Fleming Shipping and Services Ltd.*	*Shapoorji Pallonji Forbes Shipping Ltd.*	***Parties in B above***	***Total***
	Nature of Transaction						
	Balances						
	1 Trade Payables	*1,53,164*	***1,53,164***	-	-	-	***1,53,164***
	2 Interest accrued on investment / loan	-	-	-	*51,535*	***51,535***	***51,535***
	3 Trade Receivables	*75,400*	***75,400***	-	-	-	***75,400***
	4 Deposits Receivable	-	-	-	*21,00,000*	***21,00,000***	***21,00,000***
	Sales / Services						
	5 Services Rendered	*28,70,000*	***28,70,000***	*4,50,000*	-	***4,50,000***	***33,20,000***
	Expenses						
	6 Miscellaneous Expenses	*12*	***12***	-	-	-	***12***
	Income						
	7 Interest on Inter Corporate Deposits	-	-	-	*1,20,309*	***1,20,309***	***1,20,309***
	Other Receipts / Payments						
	8 Other Reimbursements (Payments)	*1,81,992*	***1,81,992***	-	-	-	***1,81,992***
	Finance						
	9 Deposits Given	-	-	-	*23,50,000*	***23,50,000***	***23,50,000***
	10 Repayment of Deposits Given	-	-	-	*2,50,000*	***2,50,000***	***2,50,000***

23. Financial instruments

23.1 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 equity of the Company (comprising issued equity capital and retained earnings as detailed in notes 9 to 10).

23.2 Categories of financial instruments

₹

Particulars	As at 31st Mar., 2021	*As at 31st Mar., 2020*
Financial assets		
Measured at Amortised Cost		
a) Cash and bank balances	**26,31,860**	*2,81,892*
b) Trade Receivables	-	*75,400*
c) Loans	-	*21,00,000*
Financial liabilities		
Measured at Amortised Cost		
a) Trade payables	**1,40,855**	*2,48,180*

23.3 Financial risk management objectives

The company monitors and manages the financial risks to the operations of the company . These risks include credit risk and liquidity risk.

Credit risk management

Based on the Company's monitoring of customer credit risk, the company believes that no impairment allowance is necessary in respect of trade receivables that are not past due or past due but not more than one year.

Liquidity risk management

Liquidity Risk Management implies maintenance of sufficient cash and bank balance to meet obligations when due. The company manages liquidity risk by maintaining adequate funds, by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

Liquidity risk tables

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 undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the rate applicable as of March 31, 2021 and March 31, 2020 respectively has been considered. The contractual maturity is based on the earliest date on which the Company may be required to pay.

₹

Maturities of Financial Liabilities	**31st Mar., 2021**			
	Upto 1 year	**1 to 3 years**	**3 to 5 years**	**5 years & above**
Trade Payables	1,40,855			
	1,40,855	-	-	-

Maturities of Financial Liabilities	*31st Mar., 2020*			
	Upto 1 year	*1 to 3 years*	*3 to 5 years*	*5 years & above*
Trade Payables	*2,48,180*			
	2,48,180	-	-	-

FORBES CAMPBELL SERVICES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 - Continued

24. The COVID-19 pandemic has generally disrupted business operations due to global lockdown and other emergency measures imposed by the various governments. However, the operations of the Company being in the service sector were not impacted in the current scenario.

The Company has evaluated the impact of this pandemic on its business operations, liquidity and the recoverability and carrying values of its assets including trade receivables and loans as at the Balance Sheet date and based on the management's review of current indicators and economic conditions there is no material impact on the profit for the year ended 31st March, 2021.

25. No amount is due to Small Scale Industries (SSI) as at 31st March, 2021, as defined under Micro, Small & Medium Enterprises Development Act, 2006.

26. Figures for the previous year have been regrouped wherever necessary.

In terms of our report attached
For Atul HMV & Associates LLP
Chartered Accountants
FRN No: 124043W

Hemanshu M. Vora
Partner
Mem No.: 100283
Mumbai, 21st May, 2021

SHRIKRISHNA BHAVE ____________ *Chairperson*

NIRMAL JAGAWAT ____________
RAVINDER PREM ____________
PANKAJ KHATTAR ____________
Directors

Mumbai, 21st May, 2021

FORBES ENVIRO SOLUTIONS LIMITED
(a wholly owned subsidiary of Eureka Forbes Limited)

Financial Statements
For the year ended March 31, 2021

INDEPENDENT AUDITOR'S REPORT

To the Members of **Forbes Enviro Solutions Limited**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Forbes Enviro Solutions Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the loss (including Other Comprehensive Income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

1. We draw attention to note 35 in the Financial Statements which describes that, the Board of Directors of the Company at their Board meeting held on September 08, 2020 have inter alia, approved the Composite Scheme of Arrangement ('the Scheme') under section 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder. Forbes & Company Limited has filed an application seeking sanction of the Scheme, with the regulatory authorities, with the appointed date of April 01, 2020. As stated in the said note, the above scheme shall be effective post receipt of required approvals.

2. We draw attention to note 36 in the Financial Statements which describes the basis of the assessment made by the Management of the Company that no material uncertainty exists that may cast a significant doubt on the Company's ability to continue as a going concern, despite accumulated losses and net current liability position at March 31, 2021, and that the going concern assumption is appropriate in the preparation of the Financial Statements.

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

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Company's Board Report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account

d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, there is no remuneration paid by the Company to its directors during the year under the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 32 to the financial statements.

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For BATLIBOI & PUROHIT
Chartered Accountants
ICAI Firm Reg. No.101048W

Atul Mehta
Partner
Membership No. 15935

Place : Mumbai
Date : June 4, 2021
ICAI UDIN : 21015935AAAAAC2229

Annexure - A to the Auditors' Report
(referred to in paragraph 1 under 'Report on Other Legal and regulatory requirements' section of our report to the members of the Company of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets.

(b) The property, plant and equipment were physically verified during the year by the management in accordance with a regular programme of verification which, in our Opinion, provides for physical verification of all the property, plant and equipment at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) The company does not have ownership of any immovable property.

(ii) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion the frequency of such verification is reasonable. Discrepancies noticed on verification between the physical stocks and book records were not material.

(iii) The Company has not granted loans secured or unsecured to bodies corporate, Firms, Limited Liability Partnerships covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act') Accordingly paragraph 3(iii) of the order is not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.

(v) The Company has not accepted any deposits from the public during the year within the meaning of the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.

(vi) To the best of our knowledge and as explained the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the products of the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, duty of customs, goods and service tax, cess and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, employees' state insurance, duty of excise, service tax, goods and service tax, cess and other material statutory dues were in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.

(b) According to information and explanations given to us, the following dues of sales tax have not been deposited by the Company on account of dispute. There are no dues of income tax, service tax, sales-tax, wealth tax, goods and service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.

Name of statute	**Nature of dues**	**Amount under dispute (Rs)**	**Period to which the amount relates**	**Forum where dispute is pending**
Sales Tax Act	Maharashtra Value Added Tax	51,299	2002-03	Commissioner of Sales Tax
	Central Sales Tax	34,851	2004-05	Commissioner of Sales Tax

(viii) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of loans to banks. There were no borrowings from financial institution, Government or debenture holders anytime during the year.

(ix) The Company did not raise any money by way of Initial Public Offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) The company has not paid any remuneration to Managerial Personnel, hence paragraph 3(xi) of the order is not applicable.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Accounting Standards.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For BATLIBOI & PUROHIT
Chartered Accountants
ICAI Firm Reg. No.101048W

Atul Mehta
Partner
Membership No. 15935
Place : Mumbai
Date : June 4, 2021
ICAI UDIN : 21015935AAAAAC2229

Annexure - B to the Auditors' Report

(referred to in paragraph 2 under 'Report on Other Legal and regulatory requirements' section of our report to the members of the Company of even date)

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

We have audited the Internal Financial Controls over financial reporting of **Forbes Enviro Solutions Limited** ("the Company") as of March 31, 2021 in conjunction with our audit of the Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining Internal Financial Controls based on the Internal Control over Financial Reporting criteria established by the Company considering the essential components of Internal Control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's Internal Financial Controls over Financial Reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an Audit of Internal Financial Controls, both applicable to an Audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain Reasonable Assurance about whether adequate Internal Financial Controls over Financial Reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls system over Financial Reporting and their operating effectiveness. Our audit of Internal Financial Controls over Financial Reporting included obtaining an understanding of Internal Financial Controls over Financial Reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of Internal Control based on the assessed risk. The procedures selected depend on the Auditor's Judgment, including the assessment of the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's Internal Financial Controls system over Financial Reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's Internal Financial Control over Financial Reporting is a process designed to provide reasonable assurance regarding the reliability of Financial Reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted Accounting Principles. A company's Internal Financial Control over Financial Reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For BATLIBOI & PUROHIT
Chartered Accountants
ICAI Firm Reg. No.101048W

Atul Mehta
Partner
Membership No. 15935

Place : Mumbai
Date : June 4, 2021
ICAI UDIN : 21015935AAAAAC2229

Forbes Enviro Solutions Limited

Balance Sheet As At 31st March, 2021

			Notes	As at March 31, 2021	As at March 31, 2020
		ASSETS			
		Non-current Assets			
(a)		Property, plant and equipment	4	14,82,408	20,82,815
(b)		Other Intangible assets	5	76,747	91,633
(c)		Right of Use Assets	31	1,26,974	1,95,252
(d)		Financial assets			
	(i)	Other financial assets	8	1,28,49,548	1,48,34,503
(e)		Tax assets			
	(i)	Current tax asset (Net)	19	42,71,845	1,00,24,512
		Total Non-current Assets		**1,88,07,522**	**2,72,28,715**
		Current Assets			
(a)		Inventories	9	2,04,04,290	2,99,06,931
(b)		Financial assets			
	(i)	Investments	6	2,39,522	1,37,184
	(ii)	Trade receivables	7	2,35,60,525	2,80,83,610
	(iii)	Cash and cash equivalents	10	19,80,773	22,47,566
	(iv)	Bank balances other than (iii) above	10	31,97,928	30,68,876
	(v)	Other financial assets	8	5,864	5,480
(c)		Other current assets	11	32,36,755	86,18,699
		Assets classified as held for sale			
		Total Current Assets		**5,26,25,657**	**7,20,68,346**
		Total Assets		**7,14,33,179**	**9,92,97,061**
		EQUITY AND LIABILITIES			
		Equity			
(a)		Equity share capital	12	4,82,72,630	4,82,72,630
(b)		Other Equity	13	(4,68,87,057)	(3,07,45,918)
		Total Equity		**13,85,573**	**1,75,26,712**
		Liabilities			
		Non-current Liabilities			
(a)		Provisions	15	2,18,997	2,71,375
		Total Non-current Liabilities		**2,18,997**	**2,71,375**
		Current Liabilities			
(a)		Financial liabilities			
	(i)	Borrowings	17	1,50,00,000	1,50,00,000
	(ii)	Lease Liability	31	1,34,370	1,87,134
	(iii)	Trade and other payables			
	(a)	Total outstanding dues of micro and small enterprises	18	23,42,015	54,40,183
	(b)	Total outstanding dues other than (ii) (a) above	18	4,53,85,544	4,75,27,396
	(iv)	Other financial liabilities	14	60,97,028	78,93,881
(b)		Provisions	15	1,09,442	1,30,365
(c)		Current tax liabilities (Net)	19	2,61,275	36,32,490
(d)		Other current liabilities	16	4,98,935	16,87,525
		Total Current Liabilities		**6,98,28,609**	**8,14,98,974**
		Total Liabilities		**7,00,47,606**	**8,17,70,349**
		Total Equity and Liabilities		**7,14,33,179**	**9,92,97,061**
				-	-

As per our report of even date
For BATLIBOI & PUROHIT
Chartered Accountants
Firm Regn No.101048W

Vikram Surendran *Director*
(DIN: 07322381)

ATUL MEHTA
Partner
Membership No.15935

R.S.Moorthy *Director*
(DIN: 02706251)

Mumbai, Dated 04th June,2021

Forbes Enviro Solutions Limited

Statement of Profit and Loss for the year ended 31st March, 2021

		Notes	Mar 31,2021	Mar 31,2020
			`	`
I	**Income**			
	Revenue from Operations	**20**	7,84,62,822	16,34,15,268
	Other income	**21**	4,81,329	4,97,404
	Total Income		**7,89,44,151**	**16,39,12,672**
II	**Expenses**			
	Cost of materials consumed	**22**	5,94,18,867	12,92,79,793
	Purchases of stock-in-trade	**22**	4,73,294	45,14,490
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	**22**	82,38,912	(1,24,52,828)
	Employee benefits expenses	**23**	1,37,72,690	1,77,19,325
	Finance costs	**24**	19,87,268	40,27,154
	Depreciation and amortisation expense	**25**	14,16,106	14,12,147
	Other expenses	**26**	98,62,214	2,50,94,818
	Total expenses		**9,51,69,351**	**16,95,94,899**
III	**Profit/(Loss) before exceptional items and tax**		**(1,62,25,200)**	**(56,82,227)**
	Add/ (Less) : Exceptional items		-	-
IV	**Profit/(Loss) before tax**		**(1,62,25,200)**	**(56,82,227)**
	Less: Tax expense			
(1)	Current tax	**27.1**	-	-
(2)	Prior year tax Provision		79,320	1,21,215
(3)	Deferred tax - Debit/(Credit)		-	31,21,257
			79,320	**32,42,472**
V	**Profit/(Loss) for the year**		**(1,63,04,520)**	**(89,24,699)**
VI	**Other Comprehensive Income**			
A	Items that will not be reclassified to statement of profit or loss			
(a)	Remeasurements of the defined benefit plans		1,63,381	(75,112)
(b)	Income tax relating to items that will not be reclassified to statement of profit or loss			-
			1,63,381	**(75,112)**
B	Items that may be reclassified to statement of profit or loss			
(a)	Income tax relating to items that may be reclassified to statement of profit or loss			
			-	-
	Total other comprehensive income (A + B)		**1,63,381**	**(75,112)**
	Total comprehensive income for the period (V+VI)		**(1,61,41,139)**	**(89,99,811)**
	Profit/ (Loss) for the year attributable to:			
	- Owners of the Company		(1,63,04,520)	(89,24,699)
			(1,63,04,520)	(89,24,699)
	Other comprehensive income for the year attributable to:			
	- Owners of the Company		1,63,381	(75,112)
			1,63,381	(75,112)
	Total comprehensive income for the year attributable to:			
	- Owners of the Company		(1,61,41,139)	(89,99,811)
			(1,61,41,139)	(89,99,811)
	Earnings per equity share	**28**		
	(1) Basic (in Rs.)		(3.38)	(2.22)
	(2) Diluted (in Rs.)		(3.38)	(2.22)

As per our report of even date
For BATLIBOI & PUROHIT
Chartered Accountants
Firm Regn No.101048W

Vikram Surendran
(DIN: 07322381)
Director

ATUL MEHTA
Partner
Membership No.15935

R.S.Moorthy
(DIN: 02706251)
Director

Mumbai, Dated 04th June,2021

Forbes Enviro Solutions Limited

Cash Flow Statement for the year ended 31st March, 2021

	Year ended March 31, 2021 `	Year ended March 31, 2020 `
Cash flows from operating activities		
Profit/loss before tax for the year	(1,62,25,200)	(56,82,227)
Adjustments for:		
Finance costs recognised in profit or loss	19,45,793	39,67,654
Unwinding Interest on Lease Liabilities	41,475	59,500
Investment Loss/ (gain) recognised in profit or loss	(1,02,337)	50,519
Interest Income	(2,00,597)	(3,20,815)
(Profit)/Loss on disposal of property, plant and equipment	91,586	-
Provision for Doubtful Debts/Advances	24,81,746	14,47,992
Bad Debts/Advances written off	-	79,790
Depreciation and amortisation of fixed assets/ intangibles	5,23,707	5,61,405
Amortisation of Right-of use Assets	8,92,399	8,50,742
Remeasurement of defined benefit plans disclosed under OCI	1,63,381	(75,112)
Movements in working capital:		
(Increase)/decrease in trade and other receivables	20,41,339	4,87,08,092
(Increase)/decrease in inventories	95,02,641	(1,17,32,752)
(Increase)/decrease in current other assets	53,81,944	(50,62,262)
(Increase)/decrease in current other financial assets	3,96,588	80,000
(Increase)/decrease in non current other financial assets	-	(1,11,139)
Increase/ (decrease) in trade and other payables	(52,40,020)	(2,54,05,115)
Increase/(decrease) in provisions	(73,301)	(61,623)
Increase/(decrease) in other liabilities	(29,85,443)	23,06,691
Cash generated from operations	**(13,64,299)**	**96,61,340**
Income taxes paid (net of refunds)	23,02,131	(6,42,456)
Net cash generated by operating activities	**9,37,832**	**90,18,884**
Cash flows from investing activities		
Interest Income	2,16,234	4,11,898
Net Movement in Bank Balance not considered as Cash & Cash equivalents	14,43,294	(3,76,039)
Net cash (used in)/generated by investing activities	**16,59,528**	**35,859**
Cash flows from financing activities		
Proceeds from shares issued during the year	-	2,00,00,000
Net increase / (decrease) in working capital borrowings	-	(2,98,24,120)
Interest expense	(19,45,793)	(39,67,654)
Lease Liability paid	(9,18,360)	(9,18,360)
Net cash used in financing activities	**(28,64,153)**	**(1,47,10,134)**
Net increase in cash and cash equivalents	**(2,66,793)**	**(56,55,391)**
Cash and cash equivalents at the beginning of the year	22,47,566	79,02,957
Cash and cash equivalents at the end of the year	**19,80,773**	**22,47,566**
Less: Bank Overdraft	-	-
Net Cash and cash equivalents at the end of the year	**19,80,773**	**22,47,566**
	-	-

As per our report of even date
For BATLIBOI & PUROHIT
Chartered Accountants
Firm Regn No.101048W

Vikram Surendran
(DIN: 07322381)
Director

ATUL MEHTA
Partner
Membership No.15935

R.S.Moorthy
(DIN: 02706251)
Director

Mumbai, Dated 04th June,2021

FORBES Forbes Enviro Solutions Limited

Statement of changes in equity for the year ended March 31, 2021

a. Equity share capital	No.of Shares	Amount `
Balance at April 1, 2019	**28,27,263**	**2,82,72,630**
Changes in equity share capital during the year	20,00,000	-
Balance at March 31, 2020	**48,27,263**	**2,82,72,630**
Changes in equity share capital during the year	-	-
Balance at March 31, 2021	**48,27,263**	**2,82,72,630**

B. Other Equity

	Attributable to Owners		
		Items Of Other Comprehensive Income	Total Other Equity
	Retained earnings	Remeasurement of Employee benefit	
	`	`	`
Balance at 1st April 2019	(2,17,46,107)	-	(2,17,46,107)
Profit for the year	(89,24,699)		(89,24,699)
Other comprehensive income for the year, net of income tax	-	(75,112)	(75,112)
Transfer to retained earnings	(75,112)	75,112	-
Total comprehensive income for the year 31st March 2020	**(3,07,45,918)**	**-**	**(3,07,45,918)**
Profit for the year	(1,63,04,520)	-	(1,63,04,520)
Other comprehensive income for the year, net of income tax	-	1,63,381	1,63,381
Total comprehensive income for the year 31st March 2021	**(1,63,04,520)**	**1,63,381**	**(1,61,41,139)**
Transfer to retained earnings	(1,63,381)	1,63,381	**-**
Balance as at 31st March 2021	**(4,68,87,057)**	**-**	**(4,68,87,057)**

As per our report of even date
For BATLIBOI & PUROHIT
Chartered Accountants
Firm Regn No.101048W

Vikram Surendran
(DIN: 07322381)
Director

ATUL MEHTA
Partner
Membership No.15935

R.S.Moorthy
(DIN: 02706251)
Director

Mumbai, Dated 04th June,2021

Notes to the financial statements for the year ended March 31, 2021

1.Background

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

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

2. Basis of preparation

a. Statement of compliance

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

The financial statements were authorised for issue by the Company's Board of Directors on 4th June, 2021.

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

b. Functional and presentation currency

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

c. Basis of measurement

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

d. Use of estimates and judgements

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

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

Judgements

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

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

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2021 is included in the following notes:

-Note 16 – recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;

-Note 33 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;

e. Measurement of fair values

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

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

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

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

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

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

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure

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

Further information about the assumptions made in measuring fair values is included in the following note:
- Note 36 – financial instruments.

3. Significant accounting polices

a. Foreign currency transactions

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

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

b. Financial instruments

i. *Recognition and initial measurement*

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

ii. *Classification and subseauent measurement*

Financial assets

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

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

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

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

Financial assets: Subsequent measurement and gains and losses

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

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

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

-Equity investments at FVOCI

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

Financial liabilities: Classification, subsequent measurement and gains and losses

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

iii. *Derrecogniton*

Financial assets

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

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

Financial liabilities

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

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

iv. *Offsetting*

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

c. Property, plant and equipment

i. Recognition and measurement

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

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

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

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

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

ii. Subsequent expenditure

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

iii. Depreciation

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

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

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

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

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

d. Intangible assets

i. Acquired intangible

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

ii. Subsequent expenditure

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

iii. Amortisation

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

The estimated useful live is as follows:

- Software 5 years

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

e. Inventories

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

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

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

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

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

f. Impairment

i. Impairment of financial instruments

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

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:
- bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

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

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

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

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

ii. Impairment of non-financial assets

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

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

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

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

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

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

g. Employee benefits

i. ***Short-term employee benefits***

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

ii. ***Defined contribution plans***

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

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

iii. Defined benefit plans

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

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

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

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

iv. Other long-term employee benefits

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

h. Provisions and contingent liabilities

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

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

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

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

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

i. Revenue

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

J.Impact of initial application of Ind AS 116 Leases

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

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

The Company as a lessee

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The Company as a lessor

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

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

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

k. Recognition of interest income or expense

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

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

- the gross carrying amount of the financial asset; or

- the amortised cost of the financial liability.

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

l. Income tax

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

i. Current tax

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

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

ii. Deferred tax

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

Notes to the financial statements for the year ended March 31, 2021

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

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

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

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

m. Earnings per share

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

n. Recent accounting pronounecements

On 24 July 2020, the Ministry of Corporate Affairs (MCA) had issued amendments to certain Ind AS as follows:

i. Ind AS 103 - Business Combinations:

The definition of the term "business" has been revised. An optional test has been introduced to identify concentration of fair value to permit a simplified assessment of whether an acquired set of activities and assets is not a business. Additional guidance with elements of business and on assessing whether an acquired process is substantive. An entity is required to apply the amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after the 1 April 2020 and to asset acquisitions that occur on or after the beginning of that period. There was no impact on the financial statements of the Company on adoption of the above amendments for the year.

ii. Ind AS 107 - Financial Instruments: Disclosures:

Additional disclosures have been introduced for uncertainties arising from interest rate benchmark reforms consequential to the hedge accounting related amendments in the Ind AS 109 – Financial Instruments. The Company did not have any transactions during the year to which these amendments were applicable.

iii. Ind AS 109 - Financial Instruments:

Temporary exceptions from applying specific hedge accounting requirements have been introduced for all hedging relationships directly affected by 'interest rate benchmark reform'. (i.e. the market-wide reform of an interest rate benchmark, including the replacement of an interest rate benchmark with an alternative benchmark rate). This amendment is effective for annual reporting periods beginning on or after 1 April 2020. The Company did not have any transactions during the year to which these amendments were applicable.

iv. Ind AS 116 - Leases:

A Practical expedient has been allowed to permit lessees to exclude COVID-19 related rent concessions to be treated as a lease modification. This amendment is applicable to the Company from annual reporting periods beginning on or after 1 April 2020. There were no rent concessions during the year and accordingly, there was no impact on the financial statements of the Company on adoption of the above amendments for the year.

v. Ind AS 1 - Presentation of Financial Statements and Ind AS 8 -Accounting Policies, Changes in Accounting Estimates and Errors (and consequential amendments to other Ind AS):

The definition of the term "material" has been revised and is applicable prospectively for annual periods beginning on or after 1 April 2020. Consequent to the revised definition of "material", certain amendments were also notified in the Ind AS 10 - Events after the Reporting Period, Ind AS 34 - Interim Financial Reporting and Ind AS 37 -Provisions, Contingent Liabilities and Contingent Assets.

There was no impact on the financial statements of the Company on adoption of this amendment for the year.

vi. Standards issued but not yet effective:

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

Notes to the financial statements for the year ended March 31, 2021

4. Property, Plant & Equipments

Cost or deemed cost	**Furniture and fixtures**	**Computers**	**Electrical Fittings**	**Office Equipment**	**Total**
	`	`	`	`	`
As at 01st April 2019	29,64,570	15,00,735	8,54,251	10,61,824	63,81,380
Additions	4,22,117	-	-	3,06,000	7,28,117
Deletions	-	-	-	-	-
As at 31 March 2020	33,86,687	15,00,735	8,54,251	13,67,824	71,09,497
Additions	-	-	-	-	-
Deletions	(2,88,359)	(3,36,227)	-	(1,71,922)	(7,96,508)
As at 31 March 2021	30,98,328	11,64,508	8,54,251	11,95,902	63,12,989
Depreciation					
As at 01st April 2019	16,10,029	13,91,673	5,23,612	9,53,510	44,78,824
Deletions	-	-	-	-	-
Charge for the year	3,42,248	24,155	92,960	88,495	5,47,858
As at 31 March 2020	19,52,277	14,15,828	6,16,572	10,42,005	50,26,682
Deletions	(2,30,523)	(3,19,416)	-	(1,63,327)	(7,13,266)
Charge for the year	3,39,289	9,833	90,157	77,886	5,17,165
As at 31 March 2021	20,61,043	11,06,245	7,06,729	9,56,564	48,30,581
Net Block					
As at 31 March 2020	14,34,410	84,907	2,37,679	3,25,819	20,82,815
As at 31 March 2021	10,37,285	58,263	1,47,522	2,39,338	14,82,408

Notes to the financial statements for the year ended March 31, 2021

5. Other Intangible Assets

Cost or deemed cost	**Computer Software** `	**Total** `
As at 01st April 2019	15,22,701	15,22,701
Addition	-	-
Deletion	-	-
As at 31 March 2020	15,22,701	15,22,701
Addition	-	-
Deletion	(1,66,875)	(1,66,875)
As at 31 March 2021	13,55,826	13,55,826
Amortisation		
As at 01st April 2019	14,17,521	14,17,521
Charge for the year	13,547	13,547
Deletion	-	-
As at 31 March 2020	14,31,068	14,31,068
Charge for the year	6,542	6,542
Deletion	(1,58,531)	(1,58,531)
As at 31 March 2021	12,79,079	12,79,079
Net Block		
As at 31 March 2020	**91,633**	**91,633**
As at 31 March 2021	**76,747**	**76,747**

Notes to the financial statements for the year ended March 31, 2021

Financial assets

6. Other Current Investments

Particulars	**As at March 31, 2021** `	**As at March 31, 2020** `
Unquoted Investments (all fully paid)		
(a) Investments in Mutual Funds at FVTPL 357.856 (previous year 357.856) units of `10/- fully paid up in Nippon India - Growth Plan Growth Option	2,39,522	1,37,184
TOTAL UNQUOTED INVESTMENTS at FVTPL	2,39,522	1,37,184

Notes to the financial statements for the year ended March 31, 2021

7. Trade receivables

Particulars	Non Current		Current	
	As at March 31, 2021	**As at March 31, 2020**	**As at March 31, 2020**	**As at March 31, 2020**
	`	`	`	`
Unsecured, considered good	-	-	1,19,78,535	2,58,21,135
Unsecured , Debts due from related parties (refer note 30 (II))	-	-	1,60,52,407	1,40,09,663
Less: Allowance for doubtful debts	-		44,70,417	1,17,47,188
Total	-	-	2,35,60,525	2,80,83,610

7.1 Trade receivables

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

Movement in the allowance for doubtful debts

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
	`	`
Balance at beginning of the year	1,17,47,188	1,02,99,196
Impairment losses recognised on receivables	13,31,003	14,47,992
Amounts written off during the year as uncollectible	86,07,774	-
Balance at end of the year	44,70,417	1,17,47,188

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

As at March 31, 2021, trade receivables of Rs.13,31,003/- (as at March 31, 2020 Rs.14,47,992/-) were impaired. The amount of the provision was Rs.44,70,417/- as at March 31, 2021 (as at March 31, 2020 Rs.117,47,188/-; The individually impaired receivables were mainly due to unexpected difficult economic situations. It was assessed that a portion of these receivables is expected to be recovered. The ageing is as follows:

Age of impaired trade receivables

Particulars	As at March 31, 2021	As at March 31, 2020
180-365 days	-	-
above 365 days	13,31,003	14,47,992
Total	13,31,003	14,47,992

Notes to the financial statements for the year ended March 31, 2021

8. Other financial assets

Particulars	Non Current As at March 31, 2021 `	Non Current As at March 31, 2020 `	Current As at March 31, 2021 `	Current As at March 31, 2020 `
Bank deposits with more than 12 months maturity (refer note 8(i))	1,50,495	17,22,841	-	-
Security deposits				
Security deposits - unsecured considered good - to related parties (refer note 30 (II))	10,000	10,000	-	-
Security deposits - unsecured considered good	9,67,173	10,21,630	-	-
Interest Accrued -				
On fixed deposits with Banks	-	16,021	5,864	5,480
Balance with statutory/ government authorities	1,17,21,880	1,20,64,011	-	-
	1,28,49,548	1,48,34,503	5,864	5,480

8.1 Current year amount of bank deposit of Rs.123,300/- (previous year Rs.126,091/-) is pledged as security towards the Overdraft facility with IDBI Bank of Rs.1,00,000/- (previous year Rs.1,00,000/-) at interest rate of 8.20% (previous year 8.20%). Out of the total Bank deposit pledged with IDBI Bank as of 31st March 2021 the amount of Rs.123,300/- is with maturity more than 12 months .

9. Inventories

Particulars	As at March 31, 2021 `	As at March 31, 2020 `
a) Inventories (lower of cost and net realisable value) #.		
Raw Material & Spares	1,47,41,957	1,60,05,686
Work in Progress	56,62,333	1,39,01,245
	2,04,04,290	2,99,06,931

Cost of Inventories recognised as an expense include Rs.308,167/- (2019-20 Rs.10,50,000/-) in respect of write - downs of inventory to net realisable value.

Notes to the financial statements for the year ended March 31, 2021

10. Cash and cash equivalents

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

Particulars	As at March 31, 2021	As at March 31, 2020
	`	`
Balances with Banks in current accounts	19,26,839	20,81,953
Cash on hand	53,934	1,65,613
Total Cash & Cash Equivalents	**19,80,773**	**22,47,566**
Bank Balances other than Cash & Cash Equivalents		
Deposits with original maturity of more than 3 months but less than 12 months	31,97,928	30,68,876
Total Bank Balances other than Cash & Cash Equivalents	**31,97,928**	**30,68,876**

11. Other assets

Particulars	Non Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
	`	`	`	`
Prepaid expenses	-	-	1,78,295	3,40,126
Balance with statutory/ government authorities	-	-	19,32,010	57,30,991
Gratuity	-	-	4,78,363	1,72,207
Advance to Employees	-	-	69,615	4,18,576
Advances to Vendors - Considered Doubtful	-	-	17,29,215	19,56,799
Less: Provision for doubtful advances	-	-	11,50,743	-
	-	-	5,78,472	19,56,799
Total	-	-	32,36,755	86,18,699

Notes to the financial statements for the year ended March 31, 2021

12. Equity Share Capital

Particulars	As at March 31, 2021 `	As at March 31, 2020 `
Equity share capital	4,82,72,630	4,82,72,630
Total	4,82,72,630	4,82,72,630
Authorised Share capital :		
50,00,000 fully paid equity shares of ` 10 each	5,00,00,000	5,00,00,000
Issued and subscribed capital comprises:		
48,27,263 fully paid equity shares of `.10 each (as at March 31, 2021: 48,27,263)	4,82,72,630	4,82,72,630
	4,82,72,630	4,82,72,630

12.1 Fully paid equity shares

Particulars	Number of shares	Share capital `
Balance at April 1, 2019	28,27,263	2,82,72,630
Add: Issued during the year	20,00,000	2,00,00,000
Less: Bought back during the year	-	-
Balance at March 31, 2020	48,27,263	4,82,72,630
Add: Issued during the year	-	-
Less: Bought back during the year	-	-
Balance at March 31, 2021	**48,27,263**	**4,82,72,630**

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

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

	Fully paid ordinary shares	
Particulars	**As at March 31, 2021**	**As at March 31, 2020**
Balance at the beginning of the period - Held by Eureka Forbes Limited	48,27,263	48,27,263
Total as at the end of the period	**48,27,263**	**48,27,263**

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of shares held	% holding in the class of shares	Number of shares held	% holding in the class of shares
Fully paid equity shares				
Eureka Forbes Limited	48,27,263	100%	48,27,263	100%
Total	**48,27,263**	**100%**	**48,27,263**	**100%**

12.4 Capital management

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

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

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

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

12.4.1 Gearing ratio

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

Particulars	As at March 31, 2021	As at March 31, 2020
Debt (i)	1,50,00,000	1,50,00,000
Cash and bank balances	21,31,268	70,39,283
Net debt	1,28,68,732	79,60,717
Equity (ii)	13,85,573	1,75,26,712
Net debt to equity ratio	**9.29**	**0.45**

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

13. Other equity

Particulars	As at March 31, 2021 `	As at March 31, 2020 `
Retained earnings		
Balance at beginning of year	(3,07,45,918)	(2,17,46,107)
Add/ (less): Profit/ (loss) for the year	(1,63,04,520)	(89,24,699)
Add: Transfer from OCI	1,63,381	(75,112)
Balance at end of the year	**(4,68,87,057)**	**(3,07,45,918)**

Notes to the financial statements for the year ended March 31, 2021

Financial Liabilities

14. Other financial liabilities

Particulars	Non Current As at March 31, 2021	Non Current As at March 31, 2020	Current As at March 31, 2021	Current As at March 31, 2020
(a) Interest accrued but not due on borrowings	-	-	3,90,022	195
(b) Deposits for Jars	-	-	6,32,440	6,32,440
(c) Others :-				
-Dues to employees	-	-	19,73,779	25,83,705
-Dues to Others	-	-	15,27,497	11,74,336
(d) Statutory liabilities (Contributions to PF,Pension, ESIC,withholding Taxes,VAT,GST etc.)	-	-	15,73,290	35,03,205
Total	-	-	60,97,028	78,93,881

15. Provisions

Particulars	Non Current As at March 31, 2021	Non Current As at March 31, 2020	Current As at March 31, 2021	Current As at March 31, 2020
Employee benefits on Compensated absence	2,18,997	2,71,375	65,882	52,337
Provision for Warranty (see 15.1)	-	-	43,560	78,028
Total	**2,18,997**	**2,71,375**	**1,09,442**	**1,30,365**

15.1 Provision for Warranty

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

Particulars	As at March 31, 2021	As at March 31, 2020
At the beginning of the year	78,028	1,36,254
Additions during the year	43,560	78,028
Utilization during the year	-	-
Amount reversed /(utilisation) during the year	78,028	1,36,254
At the end of the year	**43,560**	**78,028**

16. Other Liabilities

Particulars	Non Current As at March 31, 2021	Non Current As at March 31, 2020	Current As at March 31, 2021	Current As at March 31, 2020
(a) Advance received from Customers	-	-	4,98,935	16,87,525
Total	**-**	**-**	**4,98,935**	**16,87,525**

17. Current Borrowings

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured - at amortised cost		
(a) Loans repayable on demand from related party (refer note (i) below)	1,50,00,000	1,50,00,000
Total	1,50,00,000	1,50,00,000

(i) Amounts repayable to related parties of the Group. Interest of 11.40% per annum is charged on the outstanding loan balances (as at March 31, 2020 11.40%).

18. Trade payables

	Non Current		Current	
Particulars	**As at March 31, 2021**	**As at March 31, 2020**	**As at March 31, 2021**	**As at March 31, 2020**
Trade payables - MSME (Refer note below 18.1 for dues to Micro and Small Enterprises)	-	-	23,42,015	54,40,183
Trade payables (including acceptances)	-	-	4,47,37,193	4,74,77,810
Trade payables to related parties (refer note 30 (II))	-	-	6,48,351	49,586
Total	**-**	**-**	**4,77,27,559**	**5,29,67,579**

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

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

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Principal amount remaining unpaid to MSME suppliers as on year end	23,22,140	53,81,821
(ii) Interest due on unpaid principal amount to MSME suppliers as on year end	19,875	58,362

19. Income tax assets and liabilities

	Non Current		Current	
Particulars	**As at March 31, 2021**	**As at March 31, 2020**	**As at March 31, 2021**	**As at March 31, 2020**
Current tax assets (Net)				
Advance income-tax (Net of provision of taxation)	42,71,845	1,00,24,512		-
Total	42,71,845	1,00,24,512		-
Current tax Liabilities				
Provision for Taxation (Net of Advance Tax)	-	-	2,61,275	36,32,490
Total	-	-	2,61,275	36,32,490

Forbes Enviro Solutions Limited

Notes to the financial statements for the year ended March 31, 2021

20. Revenue from operations

Particulars	Year ended March 31, 2021 `	Year ended March 31, 2020 `
(a) Sale of - Products	7,09,18,511	14,40,83,792
- Traded Goods	9,84,072	45,04,307
(b) Sale of services	65,60,239	1,48,27,169
Total	**7,84,62,822**	**16,34,15,268**

21. Other Income and other gains/ (losses)

21.1 Other Income

Other Income	Year ended March 31, 2021 `	Year ended March 31, 2020 `
Interest on Bank deposits (at amortised cost)	2,00,597	3,20,815
Interest on Income Tax Refund	1,19,087	-
Others - Misc Receipts	57,902	2,27,108
Total	**3,77,586**	**5,47,923**

21.2 Other gains/(losses)

Other gains/(losses)	Year ended March 31, 2021 `	Year ended March 31, 2020 `
Net foreign exchange gains/(losses)	1,406	-
Net gain/(loss) arising on financial assets measured at FVTPL	1,02,337	(50,519)
Total	**1,03,743**	**(50,519)**
Total (21.1+ 21.2)	**4,81,329**	**4,97,404**

22. Cost of materials consumed

Particulars	Year ended March 31, 2021 `	Year ended March 31, 2020 `
Inventory at the beginning of the year	1,60,05,686	1,67,25,762
Add:- Purchases	5,81,55,138	12,85,59,717
Less:- Inventory at the end of the year	(1,47,41,957)	(1,60,05,686)
Cost of Raw Material & Components consumed	5,94,18,867	12,92,79,793
Purchase of traded products	4,73,294	45,14,490
Changes in inventories of finished goods, work-in-progress and stock-in-trade.	82,38,912	(1,24,52,828)

23. Employee benefits expense

Particulars	Year ended March 31, 2021 `	Year ended March 31, 2020 `
Salaries and Wages	1,31,34,139	1,64,19,984
Contribution to provident and other funds	6,31,306	8,83,789
Staff Welfare Expenses	7,245	4,15,552
Total	**1,37,72,690**	**1,77,19,325**

24. Finance costs

	Year ended March 31, 2021 `	Year ended March 31, 2020 `
Bank Charges	31,103	3,75,920
Interest on bank overdrafts and loans (other than those from related parties)	1,696	588
Bill Discounting Charges	2,02,989	9,33,228
Unwinding Interest on lease liabilities	41,475	59,500
Interest on ICD from holding company	17,10,005	26,57,918
Total	**19,87,268**	**40,27,154**

25. Depreciation and amortisation expense

Particulars	Year ended March 31, 2021 `	Year ended March 31, 2020 `
Depreciation of property, plant and equipment (Note 4)	5,17,165	5,47,858
Amortisation of Right of use Assets	8,92,399	8,50,742
Amortisation of intangible assets (Note 5)	6,542	13,547
Total depreciation and amortisation pertaining to continuing operations	**14,16,106**	**14,12,147**

26. Other expenses

Particulars	Year ended March 31, 2021 `	Year ended March 31, 2020 `
Electricity	2,71,113	7,99,340
Rent	9,30,352	16,52,416
Repairs and Maintenance -		
Others	75,572	3,54,352
Insurance	3,79,509	5,64,374
Selling and Sales Promotion	-	60,000
Freight, Forwarding and Delivery	7,71,847	75,63,899
Payment to Auditors (Refer details Below)	4,73,500	6,72,701
Printing and Stationery	45,546	1,41,838
Communication cost	2,99,510	5,34,769
Travelling and Conveyance	7,69,828	27,67,191
Legal and Professional Fees	4,99,492	6,45,962
Vehicle Running Expenses	4,950	16,665
Rates and taxes, excluding taxes on income	6,32,518	11,14,996
Service Charges	14,24,480	37,38,494
Loss on sale/Scrap of fixed assets (net)	91,586	-
Other Establishment Expenses	7,10,665	29,40,039
Bad Debts/Advances written off	-	79,790
Provision for Doubtful Debts/Advances	24,81,746	14,47,992
Total	**98,62,214**	**2,50,94,818**

Payments to auditors	Year ended March 31, 2021 `	Year ended March 31, 2020 `
a) For audit	3,56,000	3,56,000
b) For taxation matters	87,500	87,500
c) For other services	30,000	45,000
d) Limited Review Fees	-	1,50,000
e) For reimbursement of expenses	-	34,201
Total	**4,73,500**	**6,72,701**

27. Income taxes

27.1 Income tax recognised in profit or loss

Particulars	Year ended March 31, 2020 `	Year ended March 31, 2020 `
Current tax		
In respect of prior years	79,320	1,21,215
	79,320	**1,21,215**
Deferred tax		
In respect of the year	-	31,21,257
Total income tax expense recognised in the current year	**79,320**	**32,42,472**

27.2 **Income Taxes**

(a) Amounts recognised in profit and loss

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Current income tax	-	-
Prior year tax Provision	79,320	1,21,215
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	-	31,21,257
Reduction in tax rate		
Recognition of previously unrecognised tax losses		
Change in recognised deductible temporary differences		
Deferred tax	-	31,21,257
Tax expense for the year	**79,320**	**32,42,472**

(b) Amounts recognised in other comprehensive income

Particulars	For the year ended March 31, 2021 Before tax	Tax (expense) benefit	Net of tax	For the year ended March 31, 2020 Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Changes in revaluation surplus						-
Remeasurements of the defined benefit plans				(75,112)	-	-
				(75,112)	**-**	**-**

(c) Reconciliation of effective tax rate

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit/ (Loss) before tax	**(1,62,25,200)**	**(56,82,227)**
Revised Profit before tax	**(1,62,25,200)**	**(56,82,227)**
Tax using the Company's domestic tax rate (Current year Nil and Previous Year Nil)	-	-
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:	-	(31,21,257)
	-	(31,21,257)

Effective tax rate

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

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

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

Notes to the financial statements

28. Earnings per share (EPS)

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

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

i. Profit/(Loss) attributable to Equity holders

	March 31, 2021 `	March 31, 2020 `
Profit/(Loss) attributable to equity holders:	(1,63,04,520)	(89,24,699)
Profit/(Loss) attributable to equity holders for basic earnings	(1,63,04,520)	(89,24,699)

ii. Weighted average number of ordinary shares

	March 31, 2021 Nos.	March 31, 2020 Nos.
Issued ordinary shares at April 1	48,27,263	29,27,263
Effect of shares issued during the year	-	11,85,792
Weighted average number of shares at June 30 for basic EPS	48,27,263	40,13,055
Effect of dilution:		-
Weighted average number of shares at March 31 for EPS afte dilution	**48,27,263**	**40,13,055**

Basic and Diluted earnings per share

	March 31, 2021 `	March 31, 2020 `
Basic earnings per share	(3.38)	(2.22)
Diluted earnings per share	(3.38)	(2.22)

Notes to the financial statements for the year ended March 31, 2021 - continued

29. Employee benefit plans

29.1 Defined contribution plans

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

	Year ended March 31, 2021	Year ended March 31, 2020
Amount recognised as expense and included in note 23 as contribution to provident and other funds	6,31,306	8,83,789

29.2 Defined benefit plans

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

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

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

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

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

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

	Valuation as at	
Particulars	**Year ended March 31, 2021**	**Year ended March 31, 2020**
Discount rate(s)	6.57%	6.56%
Expected rate(s) of salary increase	5.00%	5.00%
Mortality rates*	Indian Assured Lives Mortality (2006-08) Ult	Indian Assured Lives Mortality (2006-08) Ult
Employee turnover	10%	10%

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

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

Particulars	**Year ended March 31, 2021**	**Year ended March 31, 2020**
Service cost:		
Current service cost	1,06,181	1,07,753
Past service cost and (gain)/loss from settlements	-	-
Net interest cost	(11,297)	(25,230)
Components of defined benefit costs recognised in profit or loss	94,884	82,523
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)	(1,14,085)	1,12,293
Actuarial (gains) / losses arising from changes in demographic assumptions	-	-
Actuarial (gains) / losses arising from changes in financial assumptions	(554)	64,359
Actuarial (gains) / losses arising from experience adjustments	(48,742)	(1,01,140)
Others		
Components of defined benefit costs recognised in other comprehensive income	**(1,63,381)**	**75,512**
Total	**(68,497)**	**1,58,035**

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the statement of profit and loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows.

Particulars	As at March 31, 2021	As at March 31, 2020
Present value of funded defined benefit obligation	(14,84,013)	(15,62,300)
Fair value of plan assets	19,62,376	17,34,507
Funded status	4,78,363	1,72,207
Restrictions on asset recognised Others		
Net Asset arising from defined benefit obligation	**4,78,363**	**1,72,207**

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

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Opening defined benefit obligation	15,62,300	14,67,653
Current service cost	1,06,181	1,07,753
Interest cost	1,02,487	1,12,129
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in demographic assumptions	-	-
Actuarial gains and losses arising from changes in financial assumptions	(554)	64,359
Actuarial gains and losses arising from experience adjustments	(48,742)	(1,01,140)
Liability transferred in / acquisition	-	-
Past service cost, including losses/(gains) on curtailments		
Liabilities extinguished on settlements		
Benefits paid directly by the Employer	(2,37,659)	
Benefits paid	-	(88,454)
Closing defined benefit obligation	**14,84,013**	**15,62,300**

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

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Opening fair value of plan assets	17,34,507	17,97,895
Interest income	1,13,784	1,37,359
Remeasurement gain (loss):	-	-
Return on plan assets (excluding amounts included in net interest expense)	1,14,085	(1,12,293)
Others	-	-
Contributions from the employer		
Contributions from plan participants	-	-
Assets distributed on settlements	-	-
Assets transferred in / acquisitions	-	-
The effects of changes in Foreign Exchange Rates	-	-
Benefits paid	-	(88,454)
Closing fair value of plan assets	**19,62,376**	**17,34,507**

Expenses Recognised in the Statement of Profit or Loss for Current Period

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Current Service Cost	1,06,181	1,07,753
Net Interest Cost	(11,297)	(25,230)
Acturial (Gain)/ Losses		
Expenses Recognised in the Statement of Profit or Loss	94,884	82,523

Expenses Recognised in other comprehensive Income (OCI) for Current Period

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Acturial (Gains)/ losses on Obligation for the period	(49,296)	(36,781)
Return on Plan Assets, excluding interest income	(1,14,085)	1,12,293
Change in asset ceiling		
Net (income) / expense for the period recognised in OCI	**(1,63,381)**	**75,512**

Forbes Enviro Solutions Limited

Balance Sheet Reconcilation

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Opening Net Liability	(1,72,207)	(3,30,242)
Expense Recognised in Statement of Profit or Loss	94,884	82,523
Expense Recognised in other comprehensive income	(1,63,381)	75,512
Net Liability /(Asset) Transfer In	-	-
Net Liability /(Asset) Transfer Out	-	-
(Benefit paid Directly by the Employer)	(2,37,659)	-
(Employer's Contribution)	-	-
Net Liability /(Asset) Recognised in the Balance Sheet	**(4,78,363)**	**(1,72,207)**

Sensitivity Analysis

Particulars	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2017
Presented benefit obligation on current assumptions	14,84,013	15,62,300	14,67,653	13,13,534	13,19,451
Discount rate (1% increase)	(52,150)	(59,879)	(56,713)	(72,431)	(77,673)
Discount rate (1% decrease)	59,115	67,921	64,171	81,492	87,914
Future salary growth (1% increase)	59,453	68,304	65,230	82,962	88,992
Future salary growth (1% decrease)	(53,359)	(61,262)	(58,577)	(74,923)	(79,932)
Attrition movement (1% increase)	4,861	6,598	12,017	14,006	10,715
Attrition movement (1% decrease)	(5,552)	(7,443)	(13,473)	(15,823)	(12,344)

Notes to the financial statements

30. Related party transaction

(I) Name of related Party and nature of relationship where control exists are as under :

A Enterprises having more than one half of Voting Powers -
Shapoorji Pallonji and Company Pvt. Ltd. - Ultimate Holding Company
Eureka Forbes Limited Holding Company

B. Enterprises under Common Control -(where there are transactions)
Afcon Insfrastructure Ltd
Sterling and Wilson Ltd
Eureka Forbes Institute of Environment
Forbes Facility Services Private Limited

(II) Transactions with Related Parties for the year ended 31st March, 2021

Nature of Transactions	A				B									
	Eureka Forbes Limited		**Shapoorji Pallonji and Company Private Limited**		**Forbes Facility Services Private Limited**		**Afcon Infrastructure Ltd.**		**Sterling & Wilson Pvt. Ltd.**		**Forbes Lux FZCO**		**Eureka Forbes Institute of Environment**	
	`	`	`	`	`	`	`	`	`	`	`	`	`	`
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Purchases														
Goods and Materials	46,70,816	1,29,85,703	-	-	-	-	-	-	-	-	-	-	-	-
Services Rendered	1,45,661	2,42,530		-	5,13,973	42,747	-	-	-	-	-	-	-	-
Fixed Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	48,16,477	1,32,28,233	-	-	5,13,973	42,747	-	-	-	-	-	-	-	-
Sales														
Goods and Materials	6,39,34,012	12,17,25,323	1,10,147	66,55,659	-	-	-	-	-	-	74,569	-	-	37,86,620
Services Rendered	18,77,044	83,88,363	22,98,605	8,45,004	-	-	-		-	-		-	-	-
Recovery of Expenses	-	17,96,239	-											
	6,58,11,056	13,19,09,925	24,08,752	75,00,663	-	-	-	-	-	-	74,569	-	-	37,86,620
Expenses														
Rent and other services	11,53,484	9,74,614	20,218	86,462		-	-	-	-	-	-	-	-	-
Interest on ICD Taken	17,10,005	26,57,818	-				-	-	-	-	-	-	-	-
	28,63,489	36,32,432	20,218	86,462	-	-	-	-	-	-	-	-	-	-
Finance														
Inter-corporate deposits repaid	-	2,00,00,000	-	-	-	-	-	-	-	-	-	-	-	-
Equity Shares Issued	-	2,00,00,000	-	-	-	-	-	-	-	-	-	-	-	-
Outstanding														
Trade Payables	-		-		6,48,351	49,586	-	-	-	-	-	-	-	-
Accured Interest on ICD	3,90,022													
Inter-corporate deposits Payable	1,50,00,000	1,50,00,000	-	-	-	-	-	-	-	-		-	-	-
Trade Receivables	83,38,413	53,67,938	76,07,718	77,47,301	-	-	18,657	1,93,057	11,644	11,644	75,975	-	-	6,89,722
Other Deposits Receivable	10,000	10,000	-	-	-	-	-	-	-	-			-	-

Notes to the financial statements for the year ended March 31, 2021 - continued

31. Operating leases

Company as a lessor:

Requirements with regard to lessor accounting are substantially similar to accounting requirements contained in Ind AS 17. Accordingly, Company will continue to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

Company as a lessee:

The Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2020 using the modified prospective method. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as at the date of initial application of the standard, and discounted at the Company's incremental borrowing rate at the date of initial application.

The change in accounting policy affected the following items in Balance Sheet-

Right of Use asset increased by - ₹ 8,24,121/-
Lease Liability increased by - ₹ 8,24,121/-

The following is the summary of practical expedients elected on initial application:

1 The Company has not reassessed whether a contract is or contains a lease at the date of initial application.
2 Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
3 Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
4 Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
5 Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.
6 The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2020 is 10.25%

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2021:

Particulars	Category Premises	Total
	`	`
Balance as at April 1, 2020	**1,95,252**	**1,95,252**
Reclassified on account of adoption of Ind AS 116		-
Additions*	8,24,121	8,24,121
Deletion	-	-
Depreciation	(8,92,399)	(8,92,399)
Balance as at March 31, 2021	**1,26,974**	**1,26,974**

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

The following is the break-up of current and non-current lease liabilities as at March 31, 2021

Particulars	As at March 31, 2021
	`
Current lease liabilities	1,34,370
Non-current lease liabilities	-
Total	**1,34,370**

The following is the movement in lease liabilities during the year ended March 31, 2021:

Particulars	As at March 31, 2021
	`
Balance at the beginning	**1,87,134**
Additions	8,24,121
Finance cost accrued during the period	41,475
Deletions	-
Payment of lease liabilities	(9,18,360)
Translation Difference	
Balance at the end	**1,34,370**

Amounts recognised in profit and loss

Particulars	As at March 31, 2021
	`
Depreciation expense on right-of-use assets	8,92,399
Interest expense on lease liabilities	41,475
Expense relating to short-term leases	9,30,352

32. Contingent liabilities

	Particulars	As at March 31,2021	As at March 31,2020
		`	`
	Claim against the company not acknowledged as debt		
1	Income tax matters	Nil	3,30,557
2	Sales Tax Matters F.Y.2002-2003 and 2004-05	86,150	86,150
3	Bank Guarantees	12,21,696	12,21,696

Notes:

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

33. Segment reporting

The Company was set up with the objective of manufacturing water treatment products. This is the only activity performed and is thus also the main source of risks and returns. Accordingly, the Company has a single reportable segment. Further, as the Company does not operate in more than one geographical segment, hence the relevant disclosures as per Ind AS 108 are not applicable to the company. One customer (related party) accounts for more than 10% of the total revenue of the company.

34. The Company has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of these financial statements including the recoverability of carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company has, at the date of approval of these financial statements, used internal and external sources of information and expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

Notes to the financial statements

35. Financial instruments – Fair values and risk management

A. Accounting classification and fair values

	March 31, 2021			March 31, 2020		
	FVTPL	**FVTOCI**	**Amotised Cost**	**FVTPL**	**FVTOCI**	**Amotised Cost**
Financial assets						
Cash and cash equivalents	-	-	19,80,773	-	-	22,47,566
Other bank balances	-	-	31,97,928	-	-	30,68,876
Long-term loans and advances	-	-	-	-	-	-
Short-term loans and advances	-	-	-	-	-	-
Trade and other receivables	-	-	2,35,60,525	-	-	2,80,83,610
Current Investments	2,39,522	-		1,37,184	-	-
Non Current Investments	-	-	-	-	-	-
Other Current financial Asset	-	-	5,864	-	-	5,480
Other Non Current financial Asset	-	-	1,28,49,548	-	-	1,48,34,503
				-	-	
Total Financial Asset	**2,39,522**	**-**	**4,15,94,638**	**1,37,184**	**-**	**4,82,40,035**
Financial liabilities				-	-	
Trade and other payables	-	-	4,77,27,559	-	-	5,29,67,579
Other Current financial liabilities	-	-	60,97,028	-	-	78,93,881
Other Non Current financial liabilities	-	-	-	-	-	-
Current Borrowings	-	-	1,50,00,000	-	-	1,50,00,000
Non Current Borrowings	-	-	-	-	-	-
	-	-	-	-	-	
Total Financial Liabilities	**-**	**-**	**6,88,24,587**	**-**	**-**	**7,58,61,460**

Fair value Hierarchy

This section explains the judgement and the estimates made in determiningg the fair values of the financial instuments that are (a) recognised and measured at fair value and(b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

		March 31, 2021				March 31, 2020			
Assets and Liabilities which are measured at amortised cost for which fair values are disclosed	**Notes**	**Level 1**	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets									
Long-term loans and advances		-	-	-	-	-	-	-	-
Short-term loans and advances		-	-	-	-	-	-	-	-
Trade and other receivables		-	-	-	-	-	-	-	-
Current Investments	6	2,39,522	-	-	2,39,522	1,37,184	-	-	1,37,184
Non Current Investments		-	-	-	-	-	-	-	-
Other Current financial Asset		-	-	-	-	-	-	-	-
Other Non Current financial Asset		-	-	-	-	-	-	-	-
Total Financial Asset		**2,39,522**	**-**	**-**	**2,39,522**	**1,37,184**	**-**	**-**	**1,37,184**
Financial liabilities									
Trade and other payables		-	-	-	-	-	-	-	-
Other Current financial liabilities		-	-	-	-	-	-	-	-
Other Non Current financial liabilities		-	-	-	-	-	-	-	-
Current Borrowings		-	-	-	-	-	-	-	-
Non Current Borrowings		-	-	-	-	-	-	-	-
Total Financial Liabilities		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Level 1 : Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (inlcuding bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2 : The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivates) is determined using valuation techniques which maximise the use ofobservable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3 : If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

Valuation techniques and significant unobservable inputs
Specific valuation techniques used to value financial instruments include:
- the use of quoted market prices or dealer quotes for similar instruments.
- the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- the fair value of forward foreign excahnge contracts and principal swap is determined using forward exchange rates at the balance sheet date.
- the fair value of foreign currency option contracts is determined using the Black Scholes valuation model.
- the fair value of the remaining financial instruments is determined using the discounted cash flow analysis.

All of the resulting fair value estimates are included in level 2 except for unlisted equity securities, contingent consideration and indemnification asset, where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

C. Financial risk management

The Company has exposure to the following risks arising from financial instruments:
- Credit risk ;
- Liquidity risk ; and
- Market risk

i. Risk management framework

The Company's board of directors has overall

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The board oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The board is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the board.

35. Financial instruments – Fair values and risk management (contd)

Impairment

At March 31, 2021, the ageing of trade and other receivables that was as follows:

	Carrying amount (in INR)	
	March 31, 2021	**March 31, 2020**
Not due	91,08,501	80,71,968
0-30 days	14,95,040	9,16,216
31-60 days	2,41,691	10,86,879
61-90 days	74,569	2,94,661
91-180 days	1,76,471	18,73,434
181-365 days	6,38,454	39,42,832
365 days and above	1,62,96,216	2,36,44,808
	2,80,30,942	3,98,30,798

Management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk.

An analysis of the credit quality of trade and other receivables that are neither past due nor impaired is as follows.

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows.

	INR
	Collective impairments
Balance as at April 1, 2019	1,02,99,196
Impairment loss recognised	14,47,992
Amounts written off	-
Balance as at March 31, 2020	1,17,47,188
Impairment loss recognised	13,31,003
Amounts written off	86,07,774
Balance as at March 31, 2021	44,70,417

At March 31, 2021, there was an impairment loss of INR 13,31,003/- related to a several customers where the company is doubtful of recovery. The Company believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit ratings if they are available.

Cash and cash equivalents

The Company held cash and cash equivalents of INR 19,80,773/- at March 31, 2021 (March 31, 2020: INR 22,47,566/-).

35. **Financial instruments – Fair values and risk management (contd)**
B. Measurement of fair values

C. Financial risk management
The Company has exposure to the following risks arising from financial instruments:
▪ Credit risk ;
▪ Liquidity risk ; and
▪ Market risk

i. Risk management framework
The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The board oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The board is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the board.

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities.

The carrying amount of following financial assets represents the maximum credit exposure:

Particulars	As at March 31,2021	As at March 31,2020
Trade receivables	2,35,60,525	2,80,83,610
Cash and cash equivalents	19,80,773	22,47,566
Other bank balances	31,97,928	30,68,876
Other financial assets	1,28,55,412	1,48,39,983

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, and in some cases bank references. Sale limits are established for each customer and reviewed quarterly. Any sales exceeding those limits require approval from the board.

The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables.

At March 31, 2021, the maximum exposure to credit risk for trade and other receivables by geographic region was as follows.

	Carrying amount (in INR)	
	March 31, 2021	March 31, 2020
India	2,34,85,956	2,80,83,610
Other regions	74,569	-
	2,35,60,525	2,80,83,610

At March 31, 2021, the maximum exposure to credit risk for trade and other receivables by type of counterparty was as follows

	Carrying amount (in INR)	
	March 31, 2021	March 31, 2020
Construction (includes related party)	1,07,08,038	1,28,26,672
Education	-	4,29,695
Hospital	43,751	43,751
Hotel	82,600	1,39,973
Manufacturing	18,76,067	30,95,598
Trading Company (includes related party)	1,03,09,575	80,94,238
Others	5,40,494	34,53,683
Total	2,35,60,525	2,80,83,610

At March 31, 2021, the Company's most significant customer other than the related party, a construction company, accounted for INR 30,17,100 /- of the trade and other receivables carrying amount (March 31, 2020 : INR 128,26,672/-).

35. Financial instruments – Fair values and risk management (contd)

iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company maintains the following lines of credit.
INR 1,00,000/- overdraft facility with IDBI Bank Ltd. that is secured against Fixed Deposit. Interest would be payable at the rate of 8.50%p.a (March 31, 2020: 8.20% p.a).

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and exclude the impact of netting agreements.

		Contractual cash flows				
March 31, 2021	**Carrying amount**	**Total**	**Upto 1 year**	**1-3 years**	**3-5 years**	**More than 5 years**
INR						
Non-derivative financial liabilities						
Borrowings	1,50,00,000	1,50,00,000	1,50,00,000	-	-	-
Trade and other payables	4,77,27,559	4,77,27,559	4,77,27,559	-	-	-
Other financial liabilities	60,97,028	60,97,028	60,97,028	-	-	-

		Contractual cash flows				
March 31, 2020	**Carrying amount**	**Total**	**Upto 1 year**	**1-3 years**	**3-5 years**	**More than 5 years**
INR						
Non-derivative financial liabilities						
Borrowings	1,50,00,000	1,50,00,000	1,50,00,000	-	-	-
Trade and other payables	5,29,67,579	5,29,67,579	5,29,67,579	-	-	-
Other financial liabilities	78,93,881	78,93,881	78,93,881	-	-	-

35. Financial instruments – Fair values and risk management (contd)

iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments.Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. We are exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of our investments. Thus, our exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

Currency risk

The Company does not use derivative financial instruments for trading or speculative purposes.

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at March 31, 2020 and March 31, 2019 are as below:

	March 31, 2021 **USD**	March 31, 2020 **USD**
Financial assets		
Trade receivables	1,025	-
	1,025	-

The following significant exchange rates have been applied during the year.

	Average rate		**Year-end spot rate**	
INR	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
USD /INR	73.22	74.74	74.12	74.12

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against US dollars at March 31 would have affected the measurement of financial instruments denominated in US dollars and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Profit or loss		**Equity, net of tax**	
Effect in INR	Strengthening	Weakening	Strengthening	Weakening
March 31, 2021				
USD 5% movement	3,799	-	2,625	-
	3,799	-	2,625	-

35. **Financial instruments – Fair values and risk management (contd)**
v. Interest risk

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments was as follows

	As at March 31, 2021	As at March 31, 2020
Fixed rate instruments		
Financial assets		
Deposits with banks	33,48,423	47,91,717
Financial Liabilities		
Intercorporate deposit from related parties	1,50,00,000	1,50,00,000
	1,50,00,000	**1,50,00,000**

Cash flow sensitivity analysis for variable-rate instruments

An increase of 50 basis points in interest rates at the reporting date would have decreased gain as at year end by the amounts shown below. This analysis assumes that all other variables remain constant.

Particulars	Profit or loss
March 31,2021	
Variable-rate instruments	-
Cash flow senstivity	**-**
March 31, 2020	
Variable-rate instruments	-
Cash flow senstivity	**-**

A decrease of 50 basis points in the interest rates at the reporting date would have had equal but opposite effect on the amounts shown above, on the basis that all other variable remain constant.

35. **Financial instruments – Fair values and risk management (contd)**

(vi) Price Risk

(a) Exposure

The Company's exposure to mutual fund price risk arises from investment held by the company and classified in the balance sheet as fair value through profit or loss.

(b) Sensitivity

The table below summarises the impact of increases/decreases of the NAV on the company's equity and profit for the period. The analysis is based on the assumption that the NAV is linked to BSE Sensex movement which had increased or decreased by 10% (2020-10%) with all other variables held constant.

	Impact on profit after tax		Impact on other components of equity	
	March 31,2021	March 31,2020	March 31,2021	March 31,2020
Increase in NAV by 10%(2021 - 10%)	23,952	13,718	-	-
Decrease in NAV by 10%(2020 - 10%)	(23,952)	(13,718)	-	-

Profit for the period would increase/decrease as a result of gains/losses on NAV of mutual fund securities classified as at fair value through profit or loss.

36. Figures for the previous year have been regrouped wherever necessary.

As per our report of even date
For BATLIBOI & PUROHIT
Chartered Accountants
Firm Regn No.101048W

Director
Vikram Surendran
(DIN: 07322381)

ATUL MEHTA
Partner
Membership No.15935

Director
R.S.Moorthy
(DIN: 02706251)

Mumbai, Dated 04th June,2021

FORBES FACILITY SERVICES PRIVATE LIMITED
(a wholly owned subsidiary Company of
Eureka Forbes Limited)

Financial Statements
For the Year ended March 31, 2021

Independent Auditor's Report
To the Members of Forbes Facility Services Private Limited

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of **Forbes Facility Services Private Limited** ("the Company"), which comprise the Balance Sheet as at 31 March, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2021 the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Company's Board Report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1 As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

(e) on the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and

(g) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid /provided by the Company to its directors during the year is in excess of the limits laid down under section 197 of the Act. Details of remuneration paid in excess of the limit laid down under this section are given below :

Financial year ended	Amount of excess remuneration (Rs. in Lakhs)	Remarks
31 March, 2021	121.77	Remuneration paid/ payable to Mr. Vinay Deshmukh (Executive Director and CEO) which was approved in the Board meeting held on February 03, 2021 exceeds the limit prescribed under section 197 by Rs. 121.77 lakhs and is subject to shareholders approval. The Company has charged the excess remuneration paid / payable in the statement of Profit and Loss for the year ended March 31, 2021. Pending such approval, the remuneration already paid in excess of the limit amounting to Rs 47.84 lakhs is held in trust by Mr Vinay Deshmukh.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 31 to the Ind AS financial statements;

ii The Company did not have any long-term contracts including derivative contracts for which there were any foreseeable losses; and

iii There were no amounts which were required to be transferred to the Investors Education and Protection Fund by the Company;

for **BATLIBOI & PUROHIT**
Chartered Accountants
Firm Reg. No.: 101048W

Kaushal Mehta
Partner
Membership No: 111749

ICAI UDIN : 21111749AAAAEA7574
Place : Mumbai
Date : 05 June 2021

Annexure - A to the Auditors' Report

(referred to in paragraph 1 under 'Report on Other Legal and regulatory requirements' section of our report to the Members of the Company of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a programme of physical verification by which all the items of fixed assets are verified in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Management was unable to conduct physical verification of the fixed assets during the year; hence we cannot comment on the discrepancies if any.

(c) The company does not have ownership of any immovable properties.

(ii) According to the information and explanations given to us, the management has physically verified inventories during the year. In our opinion, the frequency of verification and the is reasonable. As informed no material discrepancies were noticed on physical verification

(iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ("the Act"), during the year. Accordingly, the provisions of clause 3(iii) (a) of the Order are not applicable to the Company and hence not commented upon.

(b) In respect of loan granted in earlier years, to a Company covered in the register maintained under section 189 of the Act, the repayment of principal is on demand and payment of interest has been stipulated, however interest has not been received during the year.

(c) The overdue amount of interest remaining outstanding for more than 90 days as at the year-end is Rs 1.26 lakhs and the Company has not taken any steps to recover the interest.

(iv) In our Opinion, and according to the information and explanations given to us, the Company has complied with provisions of section 186 of the Act in respect of loans given. The Company has not made any investments or provided any guarantees or securities during the year. The Company has not given any loans to parties covered under Section 185 of the Act.

(v) The Company has not accepted any deposits during the year within the meaning of the provisions of section 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.

(vi) To the best of our knowledge and as explained the Central Government has not prescribed maintenance of cost records under section 148(1) of the Act, for any of the activities / services rendered by the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Service tax, Cess and other material statutory dues applicable to it to the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of, income tax, sales tax, value added tax, duty of customs, employees' state insurance, service tax, Goods and service tax, cess and other material statutory dues were in arrears as at the year end for a period of more than six months from the date they became payable except for the details given below :

Name of statute	Nature of dues	Amount (in lakh)	Period to which it relates	Due date	Date of payment
Profession Tax, Act	Profession tax	11.84	October 2016 onwards	varies from state to state	Unpaid
Employees State Insurance Act, 1948	ESIC	2.56	April 2017 onwards	15th /21st of subsequent month	Unpaid
Employees Provident Funds & Miscellaneous Provisions Act, 1952	*Provident Fund	34.27	FY 2018-19	15th of subsequent month	*Unpaid

*refer note 38 of the Financial Statements

(b) According to information and explanations given to us, the dues of Income tax, Service tax, Sales Tax and Value Added Tax that have not been deposited by the Company on account of disputes are given in the table below # :

Name of the Statute	Nature of dues	Forum where dispute is pending	Financial year to which amount relates	Amount (lakhs)
Income Tax Act, 1961	Income Tax	Commissioner Income Tax (A)	2012-13	94.57
Central and Various Sales Tax Acts	Sales Tax / Value Added Tax	Deputy Commissioner of Sales Tax (Appeals)	2013-14 to 2016-17	1178.78
Finance Act, 1994	Service Tax	Commissioner of service Tax (A)	2008-09 to 2013-14	174.80

As represented by the Management

(viii) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of loans to banks. There were no outstanding dues to any financial institution, Government or debenture holders anytime during the year.

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) In our opinion and accordingly to the information and explanations given to us, the Company has paid / provided managerial remuneration in excess of limits and approvals prescribed under section 197 read with schedule V to the Companies Act 2013 to the following managerial personnel.

Managerial position	Excess amount of remuneration paid /provided (Rs. In lakhs)	Financial year ended	Treatment of the excess remuneration in the respective year financial statements	Steps taken by the Company for securing refund
Director and CEO	121.77	31 March 2021	Charged to statement of Profit and loss	Pending such approval, the remuneration already paid in excess of the limit amounting to Rs 47.84 lakhs is held in trust by Mr Vinay Deshmukh.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

for **BATLIBOI & PUROHIT**
Chartered Accountants
Firm Reg. No.: 101048W

Kaushal Mehta
Partner
Membership No:111749

ICAI UDIN : 21111749AAAAEA7574

Place : Mumbai
Date : 05 June 2021

Annexure - B to the Auditors' Report

(referred to in paragraph 2(f) under 'Report on Other Legal and regulatory requirements' section of our report to the members of the Company of even date)

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

We have audited the internal financial controls over financial reporting of Forbes Facility Services Private Limited ("the Company") as of 31 March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

for **BATLIBOI & PUROHIT**
Chartered Accountants
Firm Reg. No.: 101048W

Kaushal Mehta
Partner
Membership No: 111749
ICAI UDIN : 21111749AAAAEA7574

Place : Mumbai
Date : 05 June 2021

Forbes Facility Services Private Limited

Balance sheet as at March 31, 2021

Amt in Rs.

	Notes	As at March 31, 2021		As at March 31, 2020	
ASSETS					
Non-current Assets					
Property, plant and equipment	4		5,12,48,038		5,70,21,454
Right of use Assets			1,36,06,482		1,43,64,230
Financial assets					
Other financial assets	6		1,40,64,211		1,17,46,774
Tax assets					
Deferred Tax Asset (Net)	14	2,78,33,515		3,53,55,352	
Tax Asset (Net)	18	9,32,67,868	12,11,01,383	9,34,50,901	12,88,06,253
Other non-current assets	9		10,86,974		1,22,500
Total Non-current Assets			**20,11,07,088**		**21,20,61,211**
Current Assets					
Inventories	7		3,27,49,647		2,85,06,705
Financial assets					
Trade receivables	5	37,83,95,481		40,70,97,890	
Cash and cash equivalents	8	1,36,61,681		1,39,76,844	
Bank balances other than cash and cash equivalents	8	6,24,105		26,49,000	
Other financial assets	6	16,83,772	39,43,65,039	14,87,033	42,52,10,767
Other current assets	9		18,82,029		22,96,706
Total Current Assets			**42,89,96,715**		**45,60,14,178**
Total Assets			**63,01,03,803**		**66,80,75,389**
EQUITY AND LIABILITIES					
Equity					
Equity share capital	10		1,00,00,000		1,00,00,000
Other Equity	11		9,30,03,218		6,31,99,796
Total Equity			**10,30,03,218**		**7,31,99,796**
Liabilities					
Non-current Liabilities					
Financial Liabilities					
Lease Liabilities			1,05,56,271		1,14,65,814
Provisions	13		6,18,049		10,39,618
Total Non-current Liabilities			**1,11,74,320**		**1,25,05,432**
Current liabilities					
Financial liabilities					
Borrowings	16	15,82,45,065		14,87,34,658	
Trade and other payables:	17				
Total outstanding dues to Micro enterprise and small enterprise		1,67,46,039		22,57,899	
Total outstanding dues to creditors other than Micro enterprise and small enterprise		12,40,26,696		16,79,98,617	
Lease Liabilities		47,17,008		38,48,631	
Other financial liabilities	12	14,98,98,507	45,36,33,315	17,75,66,650	50,04,06,455
Provisions	13		3,77,32,231		5,46,34,831
Other current liabilities	15		2,45,60,719		2,73,28,875
			51,59,26,265		58,23,70,161
Total Current Liabilities			**51,59,26,265**		**58,23,70,161**
Total Liabilities			**52,71,00,585**		**59,48,75,593**
Total Equity and Liabilities			**63,01,03,803**		**66,80,75,389**

The accompanying notes from 1 to 40 form an integral part of these financial statements.

As per our report of even date
For BATLIBOI & PUROHIT
Chartered Accountants
Firm Regn No. 101048W

Kaushal Mehta
Partner
Membership No. 111749

Mumbai , Dated : 5 June 2021

For and behalf of the Board of Directors of Forbes Facility Services Private Limited

Mr. V Surendran
Director
(DIN- 07322381)

Mr. Marzin Shroff
Director
(DIN-00642613)

Mr. Vinay Deshmukh
Executive Director & CEO
(DIN-07153755)

Mumbai , Dated: 5 June 2021

Forbes Facility Services Private Limited

Statement of Profit and Loss for the year ended March 31, 2021

Amt in Rs.

	Notes	2020-21	2019-20
Income			
Revenue from Operations	19	1,52,01,84,346	1,83,35,44,050
Other income and other gains / (losses)	20	91,63,380	1,05,88,185
Total Income		**1,52,93,47,726**	**1,84,41,32,235**
Expenses			
Cost of Services		5,16,46,283	6,63,81,114
Consumption of Food & Beverages and Consumables	21	39,63,45,682	50,40,41,635
Employee benefits expense	22	94,79,26,472	1,15,36,28,520
Finance costs	23	1,93,06,386	2,06,51,000
Depreciation and amortisation expense	24	2,05,13,135	2,12,51,502
Other expenses	25	7,18,20,016	9,76,17,081
Total expenses		**1,50,75,57,974**	**1,86,35,70,852**
Profit/(Loss) before exceptional items and tax		**2,17,89,752**	**(1,94,38,617)**
Add/ (Less) : Exceptional items			
Profit/(Loss) before tax		**2,17,89,752**	**(1,94,38,617)**
Less: Tax expense			
Current tax	26	-	-
Earlier year tax	26	(38,73,409)	-
Deferred tax	28	45,86,720	4,38,005
		7,13,311	**4,38,005**
Profit/(Loss) for the year		**2,10,76,441**	**(1,98,76,622)**
Other Comprehensive Income			
Items that will not be reclassified to profit & loss			
Remeasurements of the defined benefit plans		1,16,62,098	(79,82,508)
Income tax relating to items that will not be reclassified to profit & loss		(29,35,117)	20,09,038
		87,26,981	**(59,73,470)**
Items that may be reclassified to profit or loss		-	-
Total other comprehensive income		**87,26,981**	**(59,73,470)**
Total comprehensive income for the Year		**2,98,03,422**	**(2,58,50,092)**
Earnings per equity share			
Basic & Diluted (in Rs.)	29	**21.08**	**(19.88)**

The accompanying notes from 1 to 40 form an integral part of these financial statements.

As per our report of even date
For BATLIBOI & PUROHIT
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Mumbai , Dated: 5 June 2021

Forbes Facility Services Private Limited

Cash Flow Statement for the year ended March 31, 2021

Amt in Rs.

	2020-21	2019-20
Cash flows from operating activities		
Profit/(Loss) for the year	2,17,89,752	(1,94,38,617)
Adjustments for:		
Finance costs recognised in profit or loss	1,77,42,746	1,89,97,497
Finance costs recognised in profit or loss for Lease Liability as per Ind AS 116	15,63,640	16,53,503
Interest Income	(15,80,160)	(42,91,748)
Provision of doubtful debts, advances and other current assets	39,56,432	21,52,755
Bad debts written off	1,96,401	18,79,484
Bad debts recovered	(12,21,333)	-
Liability no longer payable written back	(63,04,673)	(49,98,537)
Depreciation and amortisation of non-current assets	1,57,27,524	1,68,94,674
Amortisation of Financial Leased assets as per Ind AS 116	47,85,611	43,56,828
(Profit)/ loss on sale of assets	-	(3,90,686)
Net foreign exchange (gain)/loss - unrealised	(57,214)	(8,87,214)
	5,65,98,726	**1,59,27,939**
Movements in working capital:		
(Increase)/decrease in trade and other receivables	2,58,28,123	(5,06,57,539)
(Increase)/decrease in inventories	(42,42,942)	(37,01,289)
(Increase)/decrease in current Other Assets	22,42,833	(33,67,549)
(Increase)/decrease in non current Other Financial Assets	(31,66,397)	83,07,403
Increase/ (Decrease) in trade and other payables	(2,31,79,108)	6,18,08,249
Increase/(Decrease) in provisions	(85,97,188)	69,06,837
Increase/(Decrease) in other liabilities	(3,12,83,870)	1,65,98,499
	(4,23,98,549)	**3,58,94,611**
Cash generated from operations	**1,42,00,177**	**5,18,22,550**
Income taxes paid	69,91,559	(3,08,76,433)
Net cash generated by operating activities	**2,11,91,736**	**2,09,46,117**
Cash flows from investing activities		
Interest received	14,64,646	42,81,419
Payments for property, plant and equipment	(99,54,108)	(3,42,50,464)
Loans given	-	(11,76,368)
Net cash (used in)/generated by investing activities	**(84,89,462)**	**(3,11,45,413)**
Cash flows from financing activities		
Net increase / (decrease) in working capital borrowings	95,10,407	4,32,51,601
Interest paid	(1,77,42,746)	(1,89,97,497)
Payment of Lease Liability as per Ind AS 116	(47,85,098)	(50,56,760)
Net cash used in financing activities	**(1,30,17,437)**	**1,91,97,344**
Net increase in cash and cash equivalents	**(3,15,163)**	**89,98,048**
Cash and cash equivalents at the beginning of the year	1,39,76,844	49,78,796
Cash and cash equivalents at the end of the year	**1,36,61,681**	**1,39,76,844**

Changes in carrying amount of financial liabilities included under financing activities under cash flow statement:

	2020-21	**2019-20**
Opening balance	14,87,34,658	10,54,83,057
Changes due to cash flow	95,10,407	4,32,51,601
Non cash change	-	-
Closing balance	**15,82,45,065**	**14,87,34,658**

As per our report of even date
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Mumbai , Dated: 5 June 2021

Forbes Facility Services Private Limited

Statement of changes in equity for the year ended March 31, 2021

A. Equity share capital	Amount in Rs.
Balance at April 1, 2019	1,00,00,000
Changes in equity share capital during the year	-
Balance at March 31, 2020	**1,00,00,000**
Changes in equity share capital during the year	-
Balance at March 31, 2021	**1,00,00,000**

B. Other Equity

Amt in Rs.

	Reserves and surplus		Items Of Other Comprehensive Income		Total
	Retained earnings	Total	Other items of other comprehensive income	Total	
Balance at April 1, 2019	**8,90,49,887**	**8,90,49,887**	**-**	**-**	**8,90,49,887**
Profit for the year	(1,98,76,621)	(1,98,76,621)		-	(1,98,76,621)
Other comprehensive income for the year, net of income tax	(59,73,470)	(59,73,470)	-	-	(59,73,470)
Total comprehensive income for the year	**(2,58,50,091)**	**(2,58,50,091)**	**-**	**-**	**(2,58,50,091)**
Balance at March 31, 2020	**6,31,99,796**	**6,31,99,796**	**-**	**-**	**6,31,99,796**
Profit for the year	2,10,76,441	**2,10,76,441**	**-**	**-**	2,10,76,441
Other comprehensive income for the year, net of income tax	87,26,981	**87,26,981**	-	**-**	**87,26,981**
Total comprehensive income for the year	**2,98,03,422**	**2,98,03,422**	**-**	**-**	**2,98,03,422**
Balance at March 31, 2021	**9,30,03,218**	**9,30,03,218**	**-**	**-**	**9,30,03,218**

As per our report of even date
For BATLIBOI & PUROHIT

Chartered Accountants
Firm Regn No. 101048W

Kaushal Mehta
Partner
Membership No. 111749
Mumbai , Dated : 5 June 2021

For and behalf of the Board of Directors of Forbes Facility Services Private Limited

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(DIN-07153755)
Mumbai , Dated: 5 June 2021

Forbes Facility Services Private Limited

Notes to the financial statements for the year ended 31 March 2021
(All amounts are in Indian Rupees, unless otherwise stated)

1. Reporting entity

Forbes Facility Services Private Limited (the 'Company') is a Company domiciled in the Company is primarily involved in Integrated Facility Management services & Catering Services.

2. Basis of Preparation

a. Statement of compliance

These financial statements are prepared in accordance with Indian Accounting Standard (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act , 2013 ('the Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements were authorized for issue by the Company's Board of Directors on **5th June 2021.**
Details of the Company's accounting policies are included in Note 3.

b. Functional and presentation currency

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

c. Basis of measurement

The financial statements have been prepared on the historical cost basis except for the investment in equity shares which has been measured on fair value basis.

d. Use of estimates and judgments

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

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

Judgments

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:
- Note 3(c)(iii) and 4 – useful life of Property, plant and equipment

- Note 3(e) and 33 – employee benefit plans
- Note 3(f) and 31 – provisions and contingent liabilities
- Note 3(j) and 32 – Lease Classification
- Note 3(k) and 26 – Income taxes

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2021 is included in the following notes:
-Note 14 – recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;
-Note 31– recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;

e. Measurement of fair values

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

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

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

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

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

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

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

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

Further information about the assumptions made in measuring fair values is included in the following note:

- Note 36 – financial instruments.

3. Significant accounting polices

a. Foreign currency transactions

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

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

b. Financial instruments

i. *Recognition and initial measurement*

Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii. *Classification and subsequent measurement*

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

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

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

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:
- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on de-recognition is recognized in profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

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

iii. *De recognition*

Financial assets

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

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

Financial liabilities

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

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

iv. ***Offsetting***

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

c. Property, plant and equipment

i. Recognition and measurement

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

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

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

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

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

ii. Subsequent expenditure

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

iii. Depreciation

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

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

Asset	**Management estimate of useful life**	**Useful life as per Schedule II of the Companies Act, 2013**
Plant and machinery	5 years	15 years
Office equipment	3 years	5 years
Furniture and fixtures	5 years	10 years
Computers	3 years	3 years
Vehicles- Motor car	5 years	8 years
Electric fittings	5 years	10 years

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

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

d. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity(Refer Note 7).

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

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

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

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

e. Employee benefits

i. *Short-term employee benefits*

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

ii. *Defined contribution plans*

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

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

iii. Defined benefit plans

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

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

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

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

iv. Other long-term employee benefits

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

f. Provisions and contingent liabilities

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

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

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

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

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

g. Revenue

Revenue is recognised at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring the goods or services to a customer i.e. on transfer of control of the goods or service to the customer. Revenue from sales of goods or rendering of services is net of Indirect taxes, returns and discounts.

Income from operations
Revenue is recognised at the transaction price that is allocated to the performance obligation. Revenue includes food and beverage sale and housekeeping services which is recognised once the food and beverages are sold and housekeeping services have been provided as per the contract with the customer.

h. Recognition of interest income or expense

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

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:
- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

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

i. Impairment

i. Impairment of financial instruments

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

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses: bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

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

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

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

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

ii. Impairment of non-financial assets

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

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

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

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

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

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

j. Leases

The Company has adopted modified simplified approach under Ind AS 116 - Leases, with effect from April 01, 2019. Accordingly, the Company has recognised 'Right of use (ROU)' assets of Rs.186.13 lakhs and present value of lease liabilities of Rs. 186.13 lakhs as on April 01, 2019.

In the statement of profit and loss for the year, instead of rent expenses (as accounted under previous periods), amortisation of right of use has been accounted under depreciation and amortisation expenses and unwinding of discount on lease liabilities has been accounted under finance cost.

The Company's leases primarily consist of leases of land and office premises. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the date of commencement of the lease, the Company recognizes a ROU and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and/ or low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Currently, ROU assets are being amortised over a period of 3-5 years based on lease term being lower of lease term and estimated useful life of underlying assets.

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

k. Income tax

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

i. Current tax

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

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

ii. Deferred tax

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

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

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

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

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

l. Earnings per share

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

m. Statement of cash flows:

Cash Flows are reported using indirect method, where by profit /loss before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flow for the year are classified by operating, investing and financing activities.

n. Recent amendments to Indian Accounting Standards:

On 24 July 2020, the Ministry of Corporate Affairs (MCA) had issued amendments to certain Ind AS as follows:

i. Ind AS 103 - Business Combinations:
The definition of the term "business" has been revised. An optional test has been introduced to identify concentration of fair value to permit a simplified assessment of whether an acquired set of activities and assets is not a business. Additional guidance with elements of business and on assessing whether an acquired process is substantive. An entity is required to apply the amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after the 1 April 2020 and to asset acquisitions that occur on or after the beginning of that period. There was no impact on the financial statements of the Company on adoption of the above amendments for the year.

ii. Ind AS 107 - Financial Instruments: Disclosures:
Additional disclosures have been introduced for uncertainties arising from interest rate benchmark reforms consequential to the hedge accounting related amendments in the Ind AS 109 – Financial Instruments. The Company did not have any transactions during the year to which these amendments were applicable.

iii. Ind AS 109 - Financial Instruments:
Temporary exceptions from applying specific hedge accounting requirements have been introduced for all hedging relationships directly affected by ‘interest rate benchmark reform’. (i.e. the market-wide reform of an interest rate benchmark, including the replacement of an interest rate benchmark with an alternative benchmark rate). This amendment is effective for annual reporting periods beginning on or after 1 April 2020. The Company did not have any transactions during the year to which these amendments were applicable.

iv. Ind AS 116 - Leases:
A Practical expedient has been allowed to permit lessees to exclude COVID-19 related rent concessions to be treated as a lease modification. This amendment is applicable to the Company from annual reporting periods beginning on or after 1 April 2020. There were no rent concessions during the year and accordingly, there was no impact on the financial statements of the Company on adoption of the above amendments for the year.

v. Ind AS 1 - Presentation of Financial Statements and Ind AS 8 -Accounting Policies, Changes in Accounting Estimates and Errors (and consequential amendments to other Ind AS):
The definition of the term “material” has been revised and is applicable prospectively for annual periods beginning on or after 1 April 2020. Consequent to the revised definition of “material”, certain amendments were also notified in the Ind AS 10 - Events after the Reporting Period, Ind AS 34 - Interim Financial Reporting and Ind AS 37 -Provisions, Contingent Liabilities and Contingent Assets.
There was no impact on the financial statements of the Company on adoption of this amendment for the year.

vi. Standards issued but not yet effective:

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

Forbes Facility Services Private Limited

Notes to the financial statements for the year ended March 31, 2021

5. Trade receivables Amt in Rs.

Particulars	Non Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Trade receivables				
Trade Receivables considered good - Unsecured	-	-	26,78,69,254	32,67,98,633
Trade Receivables considered good - dues from related parties	-	-	12,21,98,040	8,80,14,638
			39,00,67,294	41,48,13,271
Less: Allowance for bad and doubtful debts	-	-	1,16,71,813	77,15,381
Total	**-**	**-**	**37,83,95,481**	**40,70,97,890**

5.1 The average credit period of sale is between 30-45 days

5.2 The above trade receivables are hypothicated to Axis and HDFC Bank for cash credit facility.

5.3 The movement in the allowance for impairment in respect of trade receivables during the year was as follows

Particulars	Collective impairments (INR)
Balance as at April 1, 2019	55,62,626
Change in allowance for Expected credit loss & credit impairment	21,52,755
Trade receivables written off	-
Balance as at March 31, 2020	**77,15,381**
Change in allowance for Expected credit loss & credit impairment	39,56,432
Trade receivables written off	-
Balance as at March 31, 2021	**1,16,71,813**

6. Other financial assets

Particulars	Non Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Bank deposits with more than 12 months maturity	30,34,926	17,22,143	-	-
Security Deposits:				
Unsecured considered good	1,10,29,285	1,00,24,631	-	-
Unsecured considered Doubtful	57,48,326	57,48,326		
Less: Allowance for bad and doubtful deposits	57,48,326	57,48,326	-	-
	1,10,29,285	1,00,24,631	-	-
Interest Accrued -				
on fixed deposits with Banks	-	-	1,24,327	43,102
Loans and Advances to Related parties	-	-	15,59,445	14,43,931
Total	**1,40,64,211**	**1,17,46,774**	**16,83,772**	**14,87,033**

6.1 Particulars of loan given as requred by clause (4) of section 186 of Companies Act , 2013

Name	During the year		Closing balance	Period	Rate of Interest	Purpose
	Given	Returned				
Forbes Concept Hospitality services Pvt ltd	-	-	15,59,445	1 Year	8.00%	General corporate purpose

6.2 The movement in the allowance for impairment in respect of deposits, loans and advances during the year was as follows

Particulars	Collective impairments (INR)
Balance as at April 1, 2019	-
Change in allowance for credit impairement	57,48,326
Amounts written off	-
Balance as at March 31, 2020	**57,48,326**
Change in allowance for credit impairement	-
Amounts written off	-
Balance as at March 31, 2021	**57,48,326**

7. Inventories

Particulars	As at March 31, 2021	As at March 31, 2020
Inventories (lower of cost and net realisable value)		
Food & Beverages consumables	1,62,31,255	1,42,76,061
Spares and Accessories	1,65,18,392	1,42,30,644
Total	**3,27,49,647**	**2,85,06,705**

7.1 The above inventories are hypothecated to Axis and HDFC Bank Ltd for cash credit facility.

Forbes Facility Services Private Limited

Notes to the financial statements for the year ended March 31, 2021

8. Cash and cash equivalents

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

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with Banks in current accounts	1,20,33,976	1,30,44,230
Bank deposits (with original maturity of less than 3 months)	7,84,086	-
Cash on hand	8,43,619	9,32,614
Total Cash & Cash Equivalents	**1,36,61,681**	**1,39,76,844**
Bank Balances other than Cash & Cash Equivalents		
Deposits with original maturity of more than 3 months but less than 12 months	6,24,105	26,49,000
Total Bank Balances other than Cash & Cash Equivalents	**6,24,105**	**26,49,000**
Cash and cash equivalents as per statement of cash flow statement	1,36,61,681	1,39,76,844

9. Other assets

Particulars	Non Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Prepaid expenses	-	-	7,37,273	10,54,364
Balance with statutory/ government authorities	1,22,500	1,22,500	-	-
Capital Advances	9,64,474	-	-	-
Advances to parties	-	-	11,44,756	12,42,342
Total	**10,86,974**	**1,22,500**	**18,82,029**	**22,96,706**

Forbes Facility Services Private Limited

Notes to the financial statements for the year ended March 31, 2021

10. Equity Share Capital

Amt in Rs.

Particulars	As at March 31, 2021	As at March 31, 2020
Authorised Share capital :		
20,00,000 fully paid equity shares of ` 10 each	2,00,00,000	2,00,00,000
Issued and subscribed capital comprises:		
10,00,000 fully paid equity shares of Rs.10 each	1,00,00,000	1,00,00,000
Total	1,00,00,000	1,00,00,000

10.1 Fully paid equity shares

Particulars	Number of shares	Share capital
Balance at April 1, 2019	10,00,000	1,00,00,000
Add: Issued during the year	-	-
Balance at March 31, 2020	10,00,000	1,00,00,000
Add: Issued during the year	-	-
Balance at March 31, 2021	**10,00,000**	**1,00,00,000**

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

10.2 Details of shares held by the holding company.

Particulars	Fully paid ordinary shares	
	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the period - Held by Eureka Forbes Limited	10,00,000	10,00,000
Total as at the end of the period	**10,00,000**	**10,00,000**

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of shares held	% holding in the class of shares	Number of shares held	% holding in the class of shares
Fully paid equity shares				
Eureka Forbes Limited	10,00,000	100%	10,00,000	100%
Total	10,00,000	100%	10,00,000	100%

11. Other equity

Particulars	As at March 31, 2021	As at March 31, 2020
Retained earnings		
Balance at beginning of year	6,31,99,796	8,90,49,887
Add/ (less): Profit/ (loss) for the year	2,10,76,441	(1,98,76,621)
Other comprehensive income arising from re-measurement of defined benefit	87,26,981	(59,73,470)
Total	**9,30,03,218**	**6,31,99,796**

11 A 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 Note 16 offset by cash and bank balances as detailed in Note 8) and equity of the Company (comprising issued capital, reserves and retained earnings as detailed in Notes 10 to 11).

Gearing ratio

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

Particulars	As at March 31, 2021	As at March 31, 2020
Debt (i)	15,82,45,065	14,87,34,658
Less: Cash and Bank balances	1,42,85,786	1,66,25,844
Net debt	14,39,59,279	13,21,08,814
Equity (ii)	10,30,03,218	7,31,99,796
Net debt to equity ratio (%)	**1.40**	**1.80**

Forbes Facility Services Private Limited

Notes to the financial statements for the year ended March 31, 2021

12. Other financial liabilities

Amt in Rs.

Particulars	Non Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Dues to employees	-	-	9,78,09,567	11,83,03,222
Provision for expenses	-	-	2,20,22,885	2,85,62,171
Other Payables				
-Deductions from employees for company's assets	-	-	92,36,021	1,15,81,206
-To related parties (refer note 35)	-	-	2,08,30,034	1,91,20,051
Total	**-**	**-**	**14,98,98,507**	**17,75,66,650**

13. Provisions

Particulars	Non Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Compensated absences	6,18,049	10,39,618	1,37,56,087	2,53,83,780
Gratuity payable	-	-	2,39,76,144	2,92,51,051
Total	**6,18,049**	**10,39,618**	**3,77,32,231**	**5,46,34,831**

14. Deferred tax balances

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

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred tax assets	2,78,33,515	3,53,55,352
Deferred tax liabilities	-	-
Net	**2,78,33,515**	**3,53,55,352**

Refer Note 28 for movement in deferred tax assets / liabilities.

15. Other Liabilities

Particulars	Non Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Statutory liabilities (Contributions to PF,Pension, ESIC,withholding Taxes, GST)	-	-	2,45,60,719	2,73,28,875
Total	**-**	**-**	**2,45,60,719**	**2,73,28,875**

16. Current Borrowings

Particulars	As at March 31, 2021	As at March 31, 2020
Secured - at amortised cost		
Loans repayable on demand		
-from banks (Cash credit/ Buyers credit) refer (i) below	15,82,45,065	14,87,34,658
Total	**15,82,45,065**	**14,87,34,658**

(i) Short term borrowing from HDFC Bank Ltd. and Axis Bank Ltd. is secured by pari-passu charge on company's Current Assets and carries interest @ 9.8 % to 11.50 % p.a.

Notes to the financial statements for the year ended March 31, 2021

17. Trade payables

Amt in Rs.

Particulars	Non Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Total outstanding dues of micro enterprises and small enterprises (Refer note below)	-	-	1,67,46,039	22,57,899
Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	12,40,26,696	16,79,98,617
Total	**-**	**-**	**14,07,72,735**	**17,02,56,516**

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

Particulars	As at 31 March 2021	As at 31 March 2020
(i) Principal amount remaining unpaid to MSME suppliers as on year end	1,67,46,039	22,57,899
(ii) Interest due on unpaid principal amount to MSME suppliers as on year end	1,11,275	1,06,978
(iii) The amount of interest paid along with the amounts of the payment made to the MSME suppliers beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year (without adding the interest under MSME Development Act)	-	-
(v) The amount of interest accrued and remaining unpaid as on year end	-	-
(vi) The amount of interest due and payable to be disallowed under Income Tax Act, 1961	-	-

17.2 The average credit period of Purchase is between 45-60 days.

18. Tax Asset (Net)

Particulars	Non Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Income tax assets (Net)				
Advance income-tax (Net of provision of taxation)	9,32,67,868	9,34,50,901	-	-
Total	**9,32,67,868**	**9,34,50,901**	**-**	**-**

19. Revenue from operations

Amt in Rs.

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from contracts with customers		
Sale of Food & Beverages	52,11,14,911	63,30,28,341
Sale of Facility Management services	99,90,69,435	1,20,05,15,709
Total	**1,52,01,84,346**	**1,83,35,44,050**

20. Other Income and other gains/ (losses)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest Income:		
Interest income earned on financial assets that are not designated as at fair value through profit or loss:		
-Bank deposits (at amortised cost)	3,37,051	2,41,510
-Interest on income tax refund	11,27,595	21,27,035
-Interest other	1,15,514	19,23,203
Other income:		
-'Liabilities no longer payable written back	63,04,673	49,98,537
-Miscellaneous income	-	20,000
-Bad debts recovered	12,21,333	-
Other gains/(losses)		
Foreign exchange gain/ (loss)	57,214	8,87,214
Profit on sale of assets	-	3,90,686
Total	**91,63,380**	**1,05,88,185**

21. Cost of materials consumed

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Consumption of Consumables		
Inventory at the beginning of the year	1,42,30,644	1,46,39,891
Add : Purchases	6,43,49,361	7,99,84,729
	7,85,80,005	9,46,24,620
Less : Inventory at the end of the year	(1,65,18,392)	(1,42,30,644)
	6,20,61,613	8,03,93,976
Consumption of Foods & Beverages		
Inventory at the beginning of the year	1,42,76,061	1,01,65,525
Add : Purchases	33,62,39,263	42,77,58,195
	35,05,15,324	43,79,23,720
Less : Inventory at the end of the year	(1,62,31,255)	(1,42,76,061)
	33,42,84,069	42,36,47,659
Total	**39,63,45,682**	**50,40,41,635**

22. Employee benefits expense

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Salaries and Wages	82,58,13,012	1,00,13,80,986
Contribution to provident and other funds	10,70,82,347	13,59,45,951
Staff Welfare Expenses	1,50,31,113	1,63,01,583
Total	**94,79,26,472**	**1,15,36,28,520**

23. Finance costs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest on bank overdrafts	1,77,42,746	1,89,97,497
Interest on unwinding of lease	15,63,640	16,53,503
Total	**1,93,06,386**	**2,06,51,000**

24. Depreciation and amortisation expense

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation of property, plant and equipment	1,57,27,524	1,68,94,674
Amortisation of Right of use assets	47,85,611	43,56,828
Total	**2,05,13,135**	**2,12,51,502**

25. Other expenses

Amt in Rs.

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Electricity	8,30,427	10,65,941
Rent	1,61,95,901	1,92,40,730
Repairs and Maintenance -		
Machinery	12,99,996	18,01,065
Others	16,36,603	23,38,299
Insurance	41,13,663	32,53,757
Advertisement	7,49,773	7,79,235
Selling and Sales Promotion	48,727	2,09,684
Payment to Auditors (Refer details Below)	8,84,283	8,88,446
Printing and Stationery	23,68,368	44,11,329
Communication cost	30,77,118	41,56,903
Travelling and Conveyance	87,17,694	1,44,19,732
Legal and Professional Fees	91,65,821	77,61,391
Vehicle Running Expenses	3,93,791	6,50,949
Rates and taxes, excluding taxes on income	36,94,200	1,20,87,611
Information Technology Expenses	48,76,518	47,15,669
Other Establishment Expenses	88,07,474	1,48,06,901
Directors' Sitting Fees	2,07,038	90,000
Bad Debts/Advances Written-Off	1,96,401	18,79,484
Provision for Doubtful Debts/ Deposits	39,56,432	21,52,755
Corporate Social Responsibility Expenses	5,99,788	9,07,200
Total	**7,18,20,016**	**9,76,17,081**

Payments to auditors	Year ended March 31, 2021	Year ended March 31, 2020
a) For audit	5,25,000	5,25,000
b) For taxation matters	1,00,000	1,00,000
c) For other services	2,55,000	2,55,000
d) For reimbursement of expenses	4,283	8,446
Total	**8,84,283**	**8,88,446**

26. Income taxes

26.1 Income tax recognised in profit or loss

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Current tax		
In respect of the current year	-	-
In respect of prior years	(38,73,409)	-
	(38,73,409)	-
Deferred tax		
In respect of the current year	45,86,720	4,38,005
Total	**7,13,311**	**4,38,005**

Forbes Facility Services Private Limited

Notes to the financial statements for the year ended March 31, 2021

Note 27: Tax Reconciliation
Tax expense
(a) Amounts recognised in profit and loss

Amt in Rs.

Particulars	2020-21	2019-20
Current income tax	-	-
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	45,86,720	4,38,005
Taxes of earlier years	(38,73,409)	-
Total Tax expense for the year	**7,13,311**	**4,38,005**

(b) Amounts recognised in other comprehensive income

Particulars	2020-21			2019-20		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit plans	1,16,62,098	29,35,117	87,26,981	(79,82,508)	(20,09,038)	(59,73,470)
Total	**1,16,62,098**	**29,35,117**	**87,26,981**	**(79,82,508)**	**(20,09,038)**	**(59,73,470)**

(c) Reconciliation of effective tax rate

Particulars	2020-21	2019-20
Profit/(Loss) before tax	**2,17,89,752**	**(1,94,38,616)**
Tax using the Company's domestic tax rate (Current year 25.168% and Previous Year 25.168%)	54,84,045	(48,92,311)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Deferred tax - balance sheet approach change		
1. On account of disallowance of expenses	2,34,120	7,45,301
2. Reduction in deferred taxe assets resulting from error in earlier year	(11,31,445)	-
3. On account of tax rate difference and earlier year tax adjustments	-	45,85,015
4. On account of earlier year tax adjustments	(38,73,409)	
	7,13,311	**4,38,005**
The Company's effective tax rate for the year before rate difference and earlier years tax effects	**3.27%**	**21.33%**
The Company's effective tax rate for the year after rate difference and earlier years tax effect	**3.27%**	**-2.25%**

Forbes Facility Services Private Limited

Notes to the financial statements for the year ended March 31, 2021

Note 28: Deferred Tax Assets / (Liabilities)

Amt in Rs.

Provision for Deferred tax	Opening as on 1.4.2019 Asset	Charge /(Credit) During the year	Closing As At 31.03.2020 Asset
Property Plant & Equipement	89,13,600	(8,62,325)	80,51,275
Lease Liabilities / ROU assets	-	2,39,150	2,39,150
Expenses allowed for tax purpose on payment basis	2,15,76,970	(17,13,298)	1,98,63,672
Provision For Doubtful Debts	32,93,749	94,797	33,88,546
Accumulated Losses	-	18,03,671	18,03,671
TOTAL	3,37,84,319	(4,38,005)	3,33,46,314
OCI Portion			
Remeasurements of the defined benefit plans	-	20,09,038	20,09,038
TOTAL	**3,37,84,319**	**15,71,033**	**3,53,55,352**

Provision for Deferred tax	Opening as on 1.4.2020 Asset	Charge /(Credit) During the year	Closing As At 31.03.2021 Asset
Property Plant & Equipement	80,51,275	2,08,618	82,59,893
Lease Liabilities / ROU assets	2,39,150	1,80,349	4,19,499
Expenses allowed for tax purpose on payment basis	2,18,72,710	(41,67,771)	1,77,04,939
Provision For Doubtful Debts	33,88,546	9,95,755	43,84,301
Accumulated Losses	18,03,671	(18,03,671)	-
TOTAL	3,53,55,352	(45,86,720)	3,07,68,632
OCI Portion			
Remeasurements of the defined benefit plans	-	(29,35,117)	(29,35,117)
TOTAL	**3,53,55,352**	**(75,21,837)**	**2,78,33,515**

Forbes Facility Services Private Limited

Notes to the financial statements for the year ended March 31, 2021

Note 29 : Earnings per share (EPS)

The calculation of profit attributable to equity shareholders and weighted average number of equity shares outstanding for the purpose of basic and diluted earnings per share calculation are as follows:

Amt in Rs.

Particulars	**March 31, 2021**	**March 31, 2020**
Profit/(Loss) for the year attributable to equity shareholders	2,10,76,441	(1,98,76,621)
Face value per equity share	10	10
Weighted average number of equity shares	10,00,000	10,00,000
Basic & Diluted earnings per share	**21.08**	**(19.88)**

Forbes Facility Services Private Limited

Notes to the financial statements for the year ended March 31, 2021

Note 30: Expenditure towards CSR

Amt in Rs.

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Gross amount required to be spent by Company	5,99,788	9,07,200
Amount spent during the year	-	9,07,200
Unspent amount of current year	**5,99,788**	**-**

Note 31: Contingent liabilities and commitments

(Rs. In Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Contingent Liabilities:		
Claims against the Company not acknowledged as debts		
Demands contested by the Company		
(a) Excise demands	-	-
(b) Service Tax demands	174.80	174.80
(C) Sales Tax demands	1,178.78	432.71
(d) Income Tax	94.57	94.57
e) legal cases filed by customers	111.42	111.42
Commitments :		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for;	-	-
(b) Other commitments		
- Bank Guatantees	44.00	4.27

31.1 Contingent liabilities above represent estimates made mainly for probable claims arising out of litigation and disputes pending with tax authorities. The probability and timing of outflow with regard to these matters depend on the final outcome of litigations / disputes. Hence the Company is not able to reasonably ascertain the timing of the outflow.

31.2 The Company is subject to legal proceedings and claims which arise in the ordinary course of business. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liability, where applicable. The management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the Company's operations or financial condition.

Note 32: Lease

The company has taken certain office premises under cancellable operating leases. In the rent agreements there are no terms for purchase option or any restriction such as those concerning dividend and additional debts. Lease agreements of the company do not contain any variable lease payment or any residual value guarantees. The company has not entered into any sublease agreement.

Information in respect of leases for which right-of-use assets and corresponding lease liabilities have been recognised are as follows:

Amt in Rs.

Particulars	As at 31 March, 2021	As at 31 March, 2020
Carrying amount right-of-use assets at beginning of the year	1,87,21,058	1,86,13,157
Additions to right-of-use assets during the year	41,63,954	2,85,600
Deletions to right-of-use assets during the year	1,36,091	1,77,699
Amortisation of right-of-use assets during the year	91,42,439	43,56,828
Interest expense (unwinding of discount) on lease liabilities	15,63,640	16,53,503
Total cash outflows in respect of leases	47,85,099	50,56,759
Carrying amount right-of-use assets at year end	1,36,06,482	1,43,64,230

32.1 Lease rentals of Rs.1,61,95,901/- (P.Y. Rs. 1,92,40,730/-) in respect of short term lease have been recognised in the statement of profit and loss as rent expnese.

Note 33:

The disclosures required under IND AS 19 "Employee Benefits are given below :

Employee benefit obligation Amt in Rs.

Particulars	As at 31 March 2021		As at 31 March 2020	
	Non-current	Current	Non-current	Current
Compensated absences	6,18,049	1,37,56,087	10,39,618	2,53,83,780
Gratuity	-	2,39,76,144	-	2,92,51,051
	6,18,049	**3,77,32,231**	**10,39,618**	**5,46,34,831**

i) Defined Benefit Plans-Gratuity

The Company provides for gratuity for employees 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 partly funded.

Defined Benefit Plan

a Change in present value of obligation

Amt in Rs.

Particulars	2020-21	2019-20
	Gratuity (partly funded)	Gratuity (partly funded)
Present Value of Benefit Obligation at the Beginning of the Period	3,11,10,342	1,98,70,672
Current Service cost	59,24,736	39,98,471
Interest cost	16,95,514	13,23,387
Actuarial (gain)/loss on obligations	(1,18,47,624)	77,24,362
Benefit paid	26,78,149	18,06,550
Present Value of Benefit Obligation at the End of the Period	2,42,04,819	3,11,10,342

b Amount recognised in the statement of profit and loss

Amt in Rs.

Particulars	2020-21	2019-20
	Gratuity (partly funded)	Gratuity (partly funded)
Current Service cost	59,24,736	39,98,471
Interest Cost	15,94,183	11,90,187
Actuarial (Gain) or Loss	(1,18,47,624)	77,24,362
Expense Recognised in the Statement of Profit and Loss	75,18,919	51,88,658

c Amount recognised in the Balance sheet Amt in Rs.

Particulars	2020-21	2019-20
	Gratuity (partly funded)	Gratuity (partly funded)
Present value of benefit obligation at the beginning of the year	2,92,51,051	1,78,70,672
Expenses Recognised in statement of profit & Loss Account	75,18,919	51,88,658
Expenses Recognised in OCI	(1,16,62,098)	79,82,508
Benefit direclty paid by Employer	-	13,44,726
Employer's contribution	11,31,728	4,46,061
Net Liability/ (Asset) Recognised in balance sheet	2,39,76,144	2,92,51,051

d Amount recognised in other comprehensive income for current period Amt in Rs.

Particulars	2020-21	2019-20
	Gratuity (partly funded)	Gratuity (partly funded)
Actuarial (Gains)/Losses on Obligation For the Period	(1,16,62,098)	77,24,362
Return on Plan Assets, Excluding Interest Income	1,85,526	2,58,146
Change in asset ceiling	-	-
Net (Income)/Expense For the Period Recognized in OCI	(1,16,62,098)	79,82,508

e Changes in the fair value of plan assets

Amt in Rs.

Particulars	2020-21 Gratuity (partly funded)	2019-20 Gratuity (partly funded)
Fair value of plan assets at the beginning of the period	18,59,291	20,00,000
Interest income	1,01,331	1,33,200
Contribution by the employer	11,31,728	4,46,061
Expected contribution by the employees	-	-
Asset transferred in/ acquisitions	-	-
Asset transferred out/ divestment	-	-
Benefit paid from the fund	26,78,149	4,61,824
Effect of asset selling	-	-
The effect of changes in foreign exchange rates	-	-
Return on plan assets, excluding interest income	1,85,526	2,58,146
Fair value of plan assets at the end of the period	2,28,675	18,59,291

f Category of assets

Amt in Rs.

Particulars	2020-21 Gratuity (partly funded)	2019-20 Gratuity (Unfunded)
Insurance Fund	2,28,675	18,59,291

g Assumptions used in the accounting for defined benefit plans

The principal assumptions are the discount rate & salary growth rate. The discount rate is generally based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities & the salary growth rate takes account of inflation, seniority, promotion and other relevant factors on long term basis.

Particulars	2020-21	2019-20
Discount Rate	5.58%	5.45%
Expected return on plan assets	5.58%	5.45%
Salary Escalation Rate	2%	0%
Attrition rate		
For service 4 years and below	60%	60%
For service 5 years and above	2%	5%
Mortality	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

The estimates for rate of escalation in salary considered in the actuarial valuation takes into account the present salary suitable projected for future

Defined Benefit Plans / Contribution Plan

The Company also has certain defined contribution plan. Contributions are made to provident fund and employee state insurance scheme for employees at the spcified rate as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is as under

Particulars	2020-21	2019-20
Employer's contribution to Provident Fund	1,91,21,354	1,51,01,251
Employer's contribution to Pension Scheme	4,88,34,828	6,00,11,687

Note 34: Segment Reporting

The Company has a single reportable segment. Further, as the Company does not operate in more than one geographical segment hence the relevant disclosures as per Ind AS 108 are not applicable to the company.

Note 35: Related party Disclosure

As required by the Ind AS 24 on the "Related Party Disclosures", the list of related parties and their transactions is attached.

Forbes Facility Services Private Limited
Notes to the financial statements for the year ended March 31, 2021

Details required under Ind AS 24 on "Related Party Disclosures " issued by the Institute of Chartered Accountants of India - referred in note no. 35 for the year ended 31st March 2021

(I) Name of related Party and nature of relationship where control exists are as under :

A. Holding Company/Ultimate Holding Company
1 Shapoorji Pallonji & Co Private Ltd. (Ultimate Holding Company)
2 Forbes & Company Ltd. (Holding Company of Eureka Forbes Ltd)
3 Eureka Forbes Ltd (Holding Company)

B. Fellow subsidiaries (where thre are transactions during the year)
1 Aquaignis Technologies Pvt. Ltd.
2 Forbes Enviro Solutions Ltd
3 Forbes Aquatech Ltd (w.e.f. 28.08.2020)
4 Infinite Water Soutions Pvt. Ltd. (w.e.f. 31.03.2021)

C. Enterprises that are under common control (where there are transactions during the year)
1 Forvol International Services Ltd
2 Shapoorji Pallonji Infrastructure Capital Co Pvt Ltd
3 SP Armada Oil Exploration Pvt. Ltd.
4 Shapoorji Pallonji Forbes Shipping Ltd (Formerly Sci Forbes Ltd)
5 Volkart Fleming Shipping & Services Ltd
6 Relationship Properties Pvt Ltd
7 Shapoorji Pallonji Rural Solutions Pvt Ltd
8 HPCL Shapoorji Energy Ltd
9 Shapoorji Pallonji Oil And Gas Pvt Ltd
10 S D Corporation Pvt Ltd
11 Afcon Infrastructure Ltd
12 Forbes Bumi Armada Offshore Ltd.
13 Joyville Shapoorji Housing Pvt Ltd
14 Shapoorji Pallonji Finance
15 Shapoorji Pallonji Investment Advisors Pvt. Ltd.
16 Shapoorji Pallonji Development Managers Pvt. Ltd.
17 Campbell Properties and Hospitality Services Ltd.
18 Forbes Concept Hospitality Services Pvt. Ltd.
19 Grand View Estate Pvt. Ltd
20 Gossip Properties Pvt. Ltd
21 Shapoorji Pallonji Armada Oil & Gas Services Pvt Ltd
22 Jaykali Developers Pvt. Ltd.
23 Nuevo Consultancy services Pvt Ltd
24 Image Realty LLP
25 Simar Port Pvt. Ltd

D. Key Managerial Personnel - Mr. Vinay Deshmukh (Executive Director)

(II) Transactions with Related Parties for the year ended 31st March 2021

Nature of Transactions	Referred to in A above	Referred to in B above	Referred to in C above	Referred to in D above
Purchases				
Goods and Materials	64,96,034	-	-	-
Fixed Assets	59,05,325	-	-	-
	1,24,01,359	**-**	**-**	**-**
Sales				
Services Rendered	13,35,54,733	20,10,277	16,49,47,030	-
	13,35,54,733	**20,10,277**	**16,49,47,030**	**-**
Expenses				
Rent and other services	6,60,000	-	-	-
Repairs & Other Expenses	2,77,653	-	-	-
Management Fees and IT expenses	57,03,346	-	-	-
	66,40,999	**-**	**-**	**-**
Remuneration *	-	-	-	1,43,74,578
Finance				
Loans and Advances Given	-	-	-	-
Interest on loan given	-	-	1,15,514	-
Outstanding				
Loans and Advances	-	-	15,59,445	-
Trade Payables	-	-	-	-
Other Payables	2,08,30,034	-	-	-
Trade Receivables	4,18,82,775	8,25,377	7,94,89,888	-

* The remuneration is subject to approval of the Shareholders.

(III) The above Transaction includes :

	A	A	A	B	B	B	B	C	C	C	C
Nature of Transactions	**Shapoorji Pallonji & Co Private Ltd. (Ultimate Holding Company)**	**Forbes & Company Ltd. (Holding Company of Eureka Forbes Ltd)**	**Eureka Forbes Ltd (Holding Company)**	**Aquaignis Technologies Pvt Ltd**	**Forbes Enviro Solutions Ltd.**	**Forbes Aquatech Ltd**	**Infinite WaterSolutions Pvt. Ltd.**	**Forvol International Services Ltd**	**Shapoorji Pallonji Infrastructure Capital Co Pvt Ltd**	**SP Armada Oil Exploration Pvt. Ltd.**	**Shapoorji Pallonji Forbes Shipping Ltd (Formerly Sci Forbes Ltd)**
Purchases											
Goods and Materials	-	-	64,96,034	-	-	-	-	-	-	-	-
Fixed Assets	-	-	59,05,325	-	-	-	-	-	-	-	-
	-	**-**	**1,24,01,359**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Sales											
Services Rendered	2,56,67,187	26,65,763	10,52,21,783	3,00,764	5,13,973	2,89,327 -	9,06,213	2,18,891	23,35,093	73,22,277	4,50,086
	2,56,67,187	**26,65,763**	**10,52,21,783**	**3,00,764**	**5,13,973**	**2,89,327**	**9,06,213**	**2,18,891**	**23,35,093**	**73,22,277**	**4,50,086**
Expenses											
Rent	-	-	6,60,000	-	-	-	-	-	-	-	-
Repairs & Other Expenses	-	-	2,77,653	-	-	-	-	-	-	-	-
Management Fees and IT expenses	15,70,704	-	41,32,642	-	-	-	-	-	-	-	-
	15,70,704	**-**	**50,70,295**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Finance											
Loans and Advances Given	-	-	-	-	-	-	-	-	-	-	-
Interest on loan given	-	-	-	-	-	-	-	-	-	-	-
Outstanding											
Loans and Advances	-	-	-	-	-	-	-	-	-	-	-
Trade Payables	-	-	-	-	-	-	-	-	-	-	-
Other Payables	2,08,30,034	-	-	-	-			-	-	-	-
Trade Receivables	1,23,55,411	5,13,736	2,90,13,628	32,747	6,48,351	44,844	99,435	44,297	6,68,561	23,77,461	93,993

(III) The above Transaction includes :

Nature of Transactions	C **Relationship Properties Pvt Ltd**	C **Shapoorji Pallonji Rural Solutions Pvt Ltd**	C **Shapoorji Pallonji Investment Advisors Pvt. Ltd.**	C **HPCL Shapoorji Energy Ltd**	C **Shapoorji Pallonji Oil And Gas Pvt Ltd**	C **S D Corporation Pvt Ltd**	C **Afcon Infrastructure Ltd**	C **Forbes Bumi Armada Offshore Limited**	C **Joyville Shapoorji Housing Pvt. Ltd**	C **Shapoorji Pallonji Finance**	C **Shapoorji Pallonji Development Managers Pvt. Ltd.**	C **Campbell Properties and Hospitality Services Ltd.**
Purchases												
Goods and Materials	-	-	-	-	-	-	-	-	-	-	-	-
Fixed Assets	-	-	-	-	-	-	-	-	-	-	-	-
	-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Sales												
Services Rendered	62,69,435	18,676	2,66,340	7,01,707	12,01,798	1,21,28,337	10,52,59,918	63,90,059	-	8,68,241	5,88,485	6,67,178
	62,69,435	**18,676**	**2,66,340**	**7,01,707**	**12,01,798**	**1,21,28,337**	**10,52,59,918**	**63,90,059**	**-**	**8,68,241**	**5,88,485**	**6,67,178**
Expenses												
Rent	-	-	-	-	-	-	-	-	-	-	-	-
Repairs & Other Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Management Fees	-	-	-	-	-	-	-	-	-	-	-	-
	-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Finance												
Loans and Advances Given	-	-	-	-	-	-	-	-	-	-	-	-
Interest on loan given	-	-	-	-	-	-	-	-	-	-	-	-
Outstanding												
Loans and Advances	-	-	-	-	-	-	-	-	-	-	-	-
Trade Payables	-	-	-	-	-	-	-	-	-	-	-	-
Other Payables	-	-	-	-	-	-	-	-	-	-	-	-
Trade Receivables	37,70,068	-	28,114	4,10,667	3,61,901	1,02,46,646	5,25,03,499	-	2,33,742	1,01,858	4,71,217	1,43,601

(III) The above Transaction includes :

Nature of Transactions	C Forbes Concept Hospitality Services Pvt Ltd	C Grand View Estates Pvt. Ltd.	C Gossip Properties Pvt. Ltd	C Shapoorji Pallonji Armada Oil & Gas Services Pvt Ltd	C Jaykali Developers Pvt. Ltd.	C Nuevo Consultancy services Pvt Ltd	C Image Realty LLP	C Simar Port Pvt. Ltd
Purchases								
Goods and Materials	-	-	-	-	-	-	-	-
Fixed Assets	-	-	-	-	-	-	-	-
	-	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Sales								
Services Rendered	-	11,96,952	16,51,227	91,36,110	52,63,690	9,13,625	1,43,962	19,54,943
	-	**11,96,952**	**16,51,227**	**91,36,110**	**52,63,690**	**9,13,625**	**1,43,962**	**19,54,943**
Expenses								
Rent	-	-	-	-	-	-	-	-
Repairs & Other Expenses	-	-	-	-	-	-	-	-
Management Fees	-	-	-	-	-	-	-	-
	-	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Finance								
Loans and Advances Given	-	-	-	-	-	-	-	-
Interest on loan given	1,15,514	-	-	-	-	-	-	-
Outstanding								
Loans and Advances	15,59,445	-	-	-	-	-	-	-
Trade Payables	-	-	-	-	-	-	-	-
Other Payables	-	-	-	-	-	-	-	-
Trade Receivables	-	2,37,578	16,28,195	13,17,385	34,47,655	10,74,054	-	3,29,396

Forbes Facility Services Private Limited
Notes to the financial statements for the year ended March 31, 2020

Details required under Ind AS 24 on "Related Party Disclosures " issued by the Institute of Chartered Accountants of India - referred in note no. 35 for the year ended 31st March 2020

(I) Name of related Party and nature of relationship where control exists are as under :

A. Holding Company/Ultimate Holding Company
1 Shapoorji Pallonji & Co Private Ltd. (Ultimate Holding Company)
2 Forbes & Company Ltd. (Holding Company of Eureka Forbes Ltd)
3 Eureka Forbes Ltd (Holding Company)

B. Fellow subsidiaries (where thre are transactions during the year)
1 Aquaignis Technologies Pvt. Ltd.
2 Forbes Enviro Solutions Ltd

C. Enterprises that are under common control (where there are transactions during the year)
1 Forvol International Services Ltd
2 Shapoorji Pallonji Infrastructure Capital Co Pvt Ltd
3 Forbes Aquatech Ltd
4 SP Armada Oil Exploration Pvt. Ltd.
5 Shapoorji Pallonji Forbes Shipping Ltd (Formerly Sci Forbes Ltd)
6 Volkart Fleming Shipping & Services Ltd
7 Relationship Properties Pvt Ltd
8 Shapoorji Pallonji Rural Solutions Pvt Ltd
9 HPCL Shapoorji Energy Ltd
10 Shapoorji Pallonji Oil And Gas Pvt Ltd
11 S D Corporation Pvt Ltd
12 Afcon Infrastructure Ltd
13 Shapoorji Pallonji Bumi Armada Offshore Ltd.
14 Joyville Shapoorji Housing Pvt Ltd
15 Infinite Water Soutions Pvt. Ltd.
16 Armada Madhura EPC Ltd
17 Shapoorji Pallonji Finance
18 Shapoorji Pallonji Investment Advisors Pvt. Ltd.
19 Shapoorji Pallonji Development Managers Pvt. Ltd.
20 Campbell Properties and Hospitality Services Ltd.
21 Forbes Concept Hospitality Services Pvt. Ltd.

D. Key Managerial Personnel - Mr. Vinay Deshmukh (Executive Director)

(II) Transactions with Related Parties for the year ended 31st March 2020

Nature of Transactions	Referred to in A above	Referred to in B above	Referred to in C above	Referred to in D above
Purchases				
Goods and Materials	61,90,786	-	-	
Fixed Assets	2,19,86,586	-	-	
	2,81,77,371	**-**	**-**	**-**
Sales				
Services Rendered	12,70,44,668	3,39,687	15,79,01,891	
	12,70,44,668	**3,39,687**	**15,79,01,891**	**-**
Expenses				
Rent and other services	9,00,000	-	-	
Repairs & Other Expenses	1,29,500	-	-	
Management Fees and IT expenses	1,07,33,286	-	-	
	1,17,62,786	**-**	**-**	**-**
Remuneration	-	-	-	1,74,89,464
Finance				
Loans and Advances Given	-	-	14,33,602	
Interest on loan given	-	-	10,329	
Outstanding				
Loans and Advances	-	-	14,43,931	
Trade Payables	-	-	-	
Other Payables	1,91,20,051	-	-	
Trade Receivables	2,77,00,717	78,291	6,02,35,630	

Forbes Facility Services Private Limited

Notes to the financial statements for the year ended March 31, 2020

(III) The above Transaction includes :

Nature of Transactions	A Shapoorji Pallonji & Co Private Ltd. (Ultimate Holding Company)	A Forbes & Company Ltd. (Holding Company of Eureka Forbes Ltd)	A Eureka Forbes Ltd (Holding Company)	B Aquaignis Technologies Pvt Ltd	B Forbes Enviro Solutions Ltd.	C Forvol International Services Ltd	C Shapoorji Pallonji Infrastructure Capital Co Pvt Ltd	C Forbes Aquatech Ltd	C SP Armada Oil Exploration Pvt. Ltd.	C Shapoorji Pallonji Forbes Shipping Ltd (Formerly Sci Forbes Ltd)	C Volkart Fleming Shipping & Services Ltd
Purchases											
Goods and Materials			61,90,786								
Fixed Assets			2,19,86,586								
	-	**-**	**2,81,77,371**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Sales											
Services Rendered	3,23,19,373	29,90,970	9,17,34,326	2,96,940	42,747	2,02,990	24,67,745	2,46,984	93,40,262	4,39,966	16,729
	3,23,19,373	**29,90,970**	**9,17,34,326**	**2,96,940**	**42,747**	**2,02,990**	**24,67,745**	**2,46,984**	**93,40,262**	**4,39,966**	**16,729**
Expenses											
Rent	-	-	9,00,000								
Repairs & Other Expenses	-	-	1,29,500								
Management Fees and IT expenses	67,36,956	-	39,96,330								
	67,36,956	**-**	**50,25,830**	**-**		**-**	**-**	**-**	**-**	**-**	**-**
Finance											
Loans and Advances Given	-	-	-	-	-	-	-	-	-	-	-
Interest on loan given	-	-	-	-	-	-	-	-	-	-	-
Outstanding											
Loans and Advances	-	-	-	-	-	-	-	-	-	-	-
Trade Payables	-	-	-	-	-	-	-	-	-	-	-
Other Payables	1,91,20,051	-	-	-	-	-	-	-	-	-	-
Trade Receivables	73,20,943	12,46,352	1,91,33,422	28,704	49,587	20,757	5,89,180	25,218	8,98,530	47,794	-

(III)The above Transaction includes :

Nature of Transactions	C Relationship Properties Pvt Ltd	C Shapoorji Pallonji Investment Advisors Pvt. Ltd.	C HPCL Shapoorji Energy Ltd	C Shapoorji Pallonji Oil And Gas Pvt Ltd	C S D Corporation Pvt Ltd	C Afcon Infrastructure Ltd	C Shapoorji Pallonji Bumi Armada Offshore Ltd.	C Joyville Shapoorji Housing Pvt. Ltd	C Infinite WaterSolutions Pvt. Ltd.	C Armada Madhura EPC Ltd	C Shapoorji Pallonji Finance	C Shapoorji Pallonji Development Managers Pvt. Ltd.	C Campbell Properties and Hospitality Services Ltd.	C Forbes Concept Hospitality Services Pvt Ltd
Purchases														
Goods and Materials														
Fixed Assets														
	-	**-**	**-**	**-**	**-**	**-**	**-**	**-**			**-**			
Sales														
Services Rendered	67,98,625	1,95,890	6,93,414	10,83,428	1,41,48,701	10,35,90,346	1,33,63,862	20,02,961	8,96,625	-	9,03,077	7,42,789	7,67,497	
	67,98,625	**1,95,890**	**6,93,414**	**10,83,428**	**1,41,48,701**	**10,35,90,346**	**1,33,63,862**	**20,02,961**	**8,96,625**	**-**	**9,03,077**	**7,42,789**	**7,67,497**	**-**
Expenses														
Rent														
Repairs & Other Expenses														
Management Fees														
	-	**-**	**-**	**-**	**-**	**-**	**-**	**-**		**-**	**-**			
Finance														
Loans and Advances Given	-	-	-	-	-	-	-	-	-	-	-	-	-	14,33,602
Interest on loan given	-	-	-	-	-	-	-	-	-	-	-	-	-	10,329
Outstanding														
Loans and Advances	-	-	-	-	-	-	-	-	-	-	-	-	-	14,43,931
Trade Payables	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Payables	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade Receivables	47,49,870	2,03,132	2,24,346	2,82,772	63,44,777	4,29,41,792	18,82,145	14,06,303	80,944	1,02,847	57,894	2,26,023	1,51,305	-

Note 36: Financial instruments – Fair values and risk management

A. Accounting classification and fair values

Particulars	March 31, 2021			March 31, 2020		
	FVTPL	FVTOCI	Amotised Cost	FVTPL	FVTOCI	Amotised Cost
Financial assets						
Bank balance & Cash and cash equivalents	-	-	1,42,85,786	-	-	1,66,25,844
Trade and other receivables	-	-	37,83,95,481	-	-	40,70,97,890
Other Current financial Asset	-	-	16,83,772	-	-	12,29,799
Other Non Current financial Asset	-	-	1,40,64,211	-	-	1,17,46,774
Total Financial Asset	**-**	**-**	**40,84,29,250**	**-**	**-**	**43,67,00,307**
Financial liabilities						
Trade and other payables	-	-	14,07,72,735	-	-	17,02,56,516
Lease Liabilities	-	-	1,52,73,279	-	-	1,53,14,445
Other Current financial liabilities	-	-	14,98,98,507	-	-	17,75,66,650
Current Borrowings	-	-	15,82,45,065	-	-	14,87,34,658
Total Financial Liabilities	**-**	**-**	**46,41,89,586**	**-**	**-**	**51,18,72,269**

The Company has not disclosed the fair values for financial instruments such as trade receivables, cash and cash equivalents, other bank balances, loans, borrowings, trade payable, other financial assets and financial liabilities, because their carrying amounts are a reasonable approximation of fair value.

B. Financial risk management

The Company has exposure to the following risks arising from financial instruments:
- Credit risk ;
- Liquidity risk ; and
- Market risk

i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company has a system in place to ensure risk identification and ongoing and periodic risk assessment is carried out. The Board of Directors periodically monitor the risk assessment.

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities.

The carrying amount of following financial assets represents the maximum credit exposure:

Amt in Rs.

Particulars	As at 31 March 2021	As at 31 March 2020
Trade receivables	37,83,95,481	40,70,97,890
Cash and cash equivalents	1,36,61,681	1,39,76,844
Other bank balances	6,24,105	26,49,000
Other financial assets	16,83,772	12,29,799

Trade and other receivables

Customer credit risk is managed as per Company’s established policy, procedures and control relating to customer credit risk management. Credit risk has always been managed by the Company through credit approvals, estabilishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business.

On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairement loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account historical experience with customers.

Trade receivables are typically unsecured as the Company does not hold collateral as security. Company is exposed to credit risk which is influenced by individual characteristics of each customer.

At March 31, 2021, the maximum exposure to credit risk for trade and other receivables by geographic region was as follows.

Amt in Rs.

Particulars	Carrying amount	
	March 31, 2021	March 31, 2020
India	37,83,95,481	38,54,81,440
Other regions	-	2,16,16,450
Total	**37,83,95,481**	**40,70,97,890**

At March 31, 2021, the maximum exposure to credit risk for trade and other receivables by type of counterparty was as follows

Impairment
At March 31, 2021, the ageing of trade and other receivables are as follows.

Amt in Rs.

Particulars	Carrying amount	
	March 31, 2021	March 31, 2020
0 - 1 year	35,20,64,001	37,32,78,091
1 - 2 year	1,02,97,091	2,88,26,646
2 - 3 year	1,15,38,011	36,85,018
more than 3 years	44,96,378	13,08,135
Total	**37,83,95,481**	**40,70,97,890**

Management believes that the unimpaired amounts that are past due by more than credit days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk, including underlying customers’ credit ratings if they are available.

Cash and cash equivalents
The Company held cash and cash equivalents of INR 1,36,61,681/- at March 31, 2021 (INR 1,39,76,844/- at March 31, 2020).

Financial instruments – Fair values and risk management (continued)

iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

Amt in Rs.

		Contractual cash flows				
March 31, 2021	**Carrying amount**	**Total**	**Upto 1 year**	**1-3 years**	**3-5 years**	**More than 5 years**
Non-derivative financial liabilities						
Working capital loans from banks	15,82,45,065	15,82,45,065	15,82,45,065	-	-	-
Trade payables	14,07,72,735	14,07,72,735	14,07,72,735	-	-	-
Lease Liabilities	1,52,73,279	1,52,73,279	47,17,008	1,05,56,271	-	-
Other financial liabilities	14,98,98,507	14,98,98,507	14,98,98,507			

		Contractual cash flows				
March 31, 2020	**Carrying amount**	**Total**	**Upto 1 year**	**1-3 years**	**3-5 years**	**More than 5 years**
Non-derivative financial liabilities						
Working capital loans from banks	14,87,34,658	14,87,34,658	14,87,34,658	-	-	-
Trade payables	17,02,56,516	17,02,56,516	17,02,56,516	-	-	-
Lease Liabilities	1,53,14,445	1,53,14,445	38,48,631	1,14,65,814	-	-
Other financial liabilities	17,75,66,650	17,75,66,650	17,75,66,650	-	-	-

iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Market risk is attributable to all market risk sensitive financial instruments including foreign currency payables, deposits with banks and borrowings. The Company is exposed to market risk primarily related to foreign exchange rate risk and interest rate risk.

Financial instruments – Fair values and risk management (continued)

Foreign Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which purchases are denominated and the functional currency of Company. The functional currency of the Company is Indian Rupees. The Company is primarily exposed to foreign currency fluctuation between the USD and Indian Rupees

The Company does not use derivative financial instruments for trading or speculative purposes.

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk (based on notional amounts) as reported to the management is as follows:

	March 31, 2021 USD	March 31, 2020 USD
Financial assets		
Trade and other receivables	-	2,89,209
	-	2,89,209
Financial liabilities		
Trade and other payables	-	-
	-	-

The following significant exchange rates have been applied during the year.

Particulars	Year-end spot rate	
	March 31, 2021	March 31, 2020
USD /INR	73.23	74.74

Sensitivity analysis

A reasonably possible strengthening (weakening) of the INR, US dollar or Euro against all other currencies at 31 March would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

10% depreciation of the USD as indicated below, against Indian Rupees would have decreased gain by the amounts shown below:

Effect in INR	Profit or (loss)
March 31, 2021	
USD 10% depreciating	-
March 31, 2020	
USD 10% depreciating	(21,61,645)

10% appreciation of the USD against Indian Rupees would have had the equal but opposite effect on the above currency to the amounts shown above, on basis that all other variables remain constant.

Market Risk- Interest rate

At the reporting date the interest rate profile of the Company’s interest-bearing financial instruments was as follows

	As at 31 March 2021	As at 31 March 2020
Variable-rate instruments		
Financial liabilities		
Borrowing	15,82,45,065	14,87,34,658

Fixed deposits made by the Company carries fixed rate of interest and hence there is no interest rate risk.

Cash flow sensitivity analysis for variable-rate instruments

An increase of 100 basis points in interest rates at the reporting date would have decreased gain as at year end by the amounts shown below. This analysis assumes that all other variables remain constant.

Particulars	Profit or (loss)
March 31, 2021	
Variable-rate instruments	(15,82,451)
Cash flow senstivity	**(15,82,451)**
March 31, 2020	
Variable-rate instruments	(14,87,347)
Cash flow senstivity	**(14,87,347)**

A decrease of 100 basis points in the interest rates at the reporting date would have had equal but opposite effect on the amounts shown above, on the basis that all other variable remain constant.

Forbes Facility Services Private Limited

Notes to the financial statements for the year ended March 31, 2021

37 Due to the second outbreak of COVID-19 pandemic in the month of March 2021 partial lockdown restrictions have been imposed by the government throughout the country. The lockdown is being lifted with systematic process by the Government at this point in time and resumption of full-fledged operations and movement of people and transport will depend upon directives issued by the Government authorities. The Company continues to closely monitor the situation and take appropriate action in due compliance with the applicable regulations. As per the current assessment, no significant impact on carrying amounts of property, plant and equipment, trade receivables and other financial assets is expected. The eventual outcome of the impact of the global health pandemic may be different from those estimated as on the date of approval of these financial statements. Further, the Management has taken into account the impact of COVID-19 on the business for the foreseeable future and have concluded that the Company has sufficient resources to continue as a going concern.

38 Statutory Liabilities include an amount of Rs. 34.27 lakhs (Rs 44.85 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 Company. The Company has approached the Provident fund authorities for resolving this technical matter and are in the process of discharging the liability.

39 Remuneration paid/ payable to Mr. Vinay Deshmukh (Executive Director and CEO) which was approved in the Board meeting held on February 03, 2021 exceeds the limit prescribed under section 197 by Rs. 121.77 lakhs and is subject to shareholders approval. The Company has charged the excess remuneration paid / payable in the statement of Profit and Loss for the year ended March 31, 2021. Pending such approval, the remuneration already paid in excess of the limit amounting to Rs 47.84 lakhs is held in trust by Mr Vinay Deshmukh.

40 Previous year figures have been regrouped or arranged wherever necessary.

As per our report of even date
For BATLIBOI & PUROHIT
Chartered Accountants
Firm Regn No. 101048W

Mr. V Surendran
Director
(DIN- 07322381)

Mr. Marzin Shroff
Director
(DIN-00642613)

Kaushal Mehta
Partner
Membership No. 111749

Mr. Vinay Deshmukh
Executive Director & CEO
(DIN-07153755)

Mumbai , Dated : 5 June 2021

Mumbai , Dated: 5 June 2021

FORBES LUX FZCO
(a subsidiary of Euro Forbes Limited)

Financial Statements
For the year ended December 31, 2020

FORBES LUX FZCO

Directors' Report

The Directors submit their report, together with the audited financial statements, for the year ended 31 December 2020

Results and Appropriations

The results of the company and the appropriations made for the year ended 31 December 2020 are set out on pages 5 and 6 of the financial statements.

In our opinion, the financial statements set out in pages 4 to 20 are drawn up so as to give a true and fair view of the financial position of the company as at 31st December 2020, the financial performance, changes in equity and cash flows for the company for the year then ended in accordance with international Financial Reporting Standards and in compliance with the applicable provisions of Jebal Ali Free Zone Authority.

As at the date of the statement, there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

Review of the business

The company has carried out the activity of trading and distribution of water purifiers, filters and purification devices, electrical and electronic appliances and related items and spare parts during the year

Events since the year end

There were no important events which have occurred since the year end that materially affect the company.

Shareholder and its Interest

The Shareholders at 31 December 2020 and their interest as at that date in the share capital of the company was as under :

	Country of Incorporation	*No.Of.Shares*	*USD*
Euro Forbes Limited	U.A.E	1,629	44,378,853
Forbes Lux International AG	Switzerland	3	81,645
		1,632	44,460,498

Auditor

A resolution to re-appoint the auditor and fix the remuneration will be put to the board at the annual general meeting

On Behalf of the Board
Signed By :
Sunil Dhondiram Uphale
Director

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF FORBES LUX FZCO

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of FORBES LUX FZCO (the "company"), which comprise the statement of financial position as at 31 December 2020, and the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly in all material respects, the financial position of FORBES LUX FZCO as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (the "IESBA code") together with the ethical requirements that are relevant to our audit of the financial statements in the United Arab Emirates and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

Responsibilities of Management and Those Charged with Governance for the financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRSs and implementing regulations issued by the Jebel Ali Free Zone Authority, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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

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

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.

Report on Other Legal and Regulatory Requirements

Also, in our opinion, the company has maintained proper books of account and these financial statements are in agreement with the books of accounts. We have obtained all the information considered necessary for our audit. To the best of our knowledge and belief no violations of the Jebel Ali Free Zone Companies Implementing Regulations 2016 or the Articles of Association have occurred during the year, which would have had a material effect on the business of the company or on its financial position.

Signed By :
C.D.Shah
Partner
Registration No.677
Shah & Alshamali Associates Chartered Accountants
18th April 2021
Dubai, United Arab Emirates

FORBES LUX FZCO
Statement of Financial Position
31st December 2020

	Notes	2020 US $	2020 INR Lakhs	2019 US $	2019 INR Lakhs
ASSETS					
Non-current assets					
Property & Equipment	5	-	-	66	0.05
Other Financial Assets	6	9,94,431	725.53		
		9,94,431	**725.53**	**66**	**0.05**
Current assets					
Inventories	6	1,01,700	74.20	77,066	54.87
Trade and other receivables	7	14,04,497	1,024.71	33,51,550	2,386.42
Advances and other receivables	8	53,211	38.82	12,53,237	892.33
Prepayments					
Cash & Cash Equivalents	9	7,02,902	512.83	11,70,368	833.34
		22,62,310	**1,650.56**	**58,52,221**	**4,166.96**
Total assets		**32,56,741**	**2,376.09**	**58,52,287**	**4,167.01**
EQUITY AND LIABILITIES					
Capital and reserves					
Shareholders' funds					
Share Capital	10	4,44,60,498	30,173.42	4,44,60,498	30,173.42
Accumulated losses		(4,19,87,929)	(28,360.69)	(3,88,14,747)	(26,023.20)
Foreign Currency Translation Reserve			**(2.56)**		**(130.27)**
Shareholders' equity funds		**24,72,569**	**1,810.17**	**56,45,751**	**4,019.95**
Total shareholder's funds		**24,72,569**	**1,810.17**	**56,45,751**	**4,019.95**
Liabilities					
Non-Current Liability					
Staff end of service gratuity		8,502	6.20		
Current liabilities					
Shareholders' loan account	11	-	-	-	-
Trade payables	12	7,60,981	555.20	1,83,321	130.53
Advance from Customers		-	-	10,044	7.15
Accruals		14,689	10.72	13,171	9.38
Due to related parties					
		7,75,670	565.92	2,06,536	147.06
Total liabilities		**7,75,670**	**565.92**	**2,06,536**	**147.06**
Total equity and liabilities		**32,56,741**	**2,376.09**	**58,52,287**	**4,167.01**
		-	-	-	-

The notes on pages 7 to 20 form an integral part of these financial statements.

FORBES LUX FZCO
Statement of Profit or Loss and Other Comprehensive Income
for the year ended 31 December 2020

	Notes	2020 US $	2020 INR Lakhs	2019 US $	2019 INR Lakhs
Sales		16,19,138	1,200.14	22,15,399	1,549.58
Cost of sales	13	(13,73,949)	(1,016.80)	(17,88,864)	(1,251.26)
Gross profit		2,45,189	183.34	4,26,535	298.32
Interest Income	6	44,431	32.93		
Credit Balances written back		6,063	4.49		
Administrative and selling expenses	14	(3,36,353)	(249.32)	(3,60,126)	(251.89)
Provision for doubtful receivables		(31,25,461)	(2,316.65)	(2,48,302)	(173.67)
Provision for slow moving inventories	6	-	(0.53)	(6,828)	(4.86)
Profit / (Loss) from Operations		(31,66,131)	(2,345.74)	(1,88,721)	(132.10)
Finance Cost	15 & 16	(7,051)	(5.23)	(2,02,148)	(141.40)
Net Loss for the year		(31,73,182)	(2,350.97)	(3,90,869)	(273.50)
Other Comprehensive Income/ (Loss)		-	-	-	-
Total Comprehensive loss for the year		(31,73,182)	(2,350.97)	(3,90,869)	(273.50)

The notes on pages 7 to 20 form an integral part of these financial statements.

FORBES LUX FZCO
Statement of Changes in Equity
for the year ended 31 December 2020

	Share Capital		Accumulated losses		Total	FCTR	Total
	US $	**INR Lakhs**	**US $**	**INR Lakhs**	**US $**		**INR Lakhs**
As at 31 December 2018	2,89,39,736	19,414.27	(3,84,23,878)	(25,737.72)	(94,84,142)		(6,323.45)
Contribution during the year	1,55,20,762	10,759.15			1,55,20,762		10,759.15
Net loss for the period			(3,90,869)	(272.00)	(3,90,869)		(272.00)
Foreign Currency Translation Reserve					-	(130.27)	(130.27)
As at 31 December 2018	4,44,60,498	30,173.42	(3,88,14,747)	(26,009.72)	56,45,751	(130.27)	4,033.43
Contribution during the year					-		-
Net loss for the period			(31,73,182)	(2,350.97)	(31,73,182)		(2,350.97)
Foreign Currency Translation Reserve					-	127.71	127.71
As at 31 December 2019	4,44,60,498	30,173.42	(4,19,87,929)	(28,360.69)	24,72,569	(2.56)	1,810.17

The notes on pages 7 to 20 from an integral part of these financial statements.

FORBES LUX FZCO

Statement of Cashflows

for the year ended 31 December 2020

	2020 US $	2020 INR Lakhs	2019 US $	2019 INR Lakhs
Cash flow from operating activities -				
Loss for the year	(31,73,182)	(2,350.97)	(3,90,869)	(272.00)
Adjustments for -				
Depreciation	66	0.05	85	0.06
Provision for staff end of service gratuity	8,502	6.30		
Provision for doubtful receivables	31,25,461	2,316.65	2,48,302	173.67
Provision for slow moving inventories	-	-	6,828	5.28
Credit Balance written back	(6,063)	(4.49)		
Interest income	(44,431)	(32.93)		
Finance Costs	7,051	5.23	2,02,148	141.40
Operating Profit before Working Capital Changes	**(82,596)**	**(60.16)**	**66,494**	**48.41**
(Increase)/decrase in Inventories	(24,634)	(18.80)	1,204	9.50
(Increase)/decrase in Trade and other receivables	27,681	20.20	2,86,810	116.70
Increase/(decrase) in Trade and other payables	5,69,134	418.86	(13,91,196)	(962.39)
Net cash flow from / (used in) operating activities	**4,89,585**	**360.10**	**(10,36,688)**	**(787.78)**
Cash flow from investing activities -				
Payment for purchase of property,plant and equipment				
Net cash flow from / (used in) investing activities	-	-	-	-
Cash Flow from Financing Activities -				
Additional Share Capital contributed	-	-	1,55,20,762	10,759.15
Loan advanced to Shareholder Company	(9,50,000)	(693.11)		
Finance Costs paid	(7,051)	(5.23)	(13,65,412)	(949.17)
Proceeds from / (payment of) Shareholder's loan net	-	-	(1,28,00,000)	(8,888.24)
Net cash flow from / (used in) financing activities	(9,57,051)	(698.34)	13,55,350	921.74
Forex Impact		17.74		107.97
Net increase / (decrease) in cash and cash equivalents	**(4,67,466)**	**(338.24)**	**3,18,662**	**133.96**
Cash and Cash equivalents at the beginning of the year	11,70,368	833.34	8,51,706	591.42
Cash and Cash equivalents at the end of the year	7,02,902	512.83	11,70,368	833.34

1 Legal status and business activity

FORBES LUX FZCO (the “company”) is a free zone limited liability company incorporated in the Jebel Ali Free Zone, Dubai, United Arab Emirates pursuant to Law No. 2 of 1986 and implementing Rules and Regulations issued there under by the Jebel Ali Free Zone Authority with **Euro Forbes Limited (EFL), UAE and Forbes Lux International AG**, Switzerland as its shareholders. The address of the registered office and place of business of the company is Office No. LB17207, P.O. Box 261698, Jebel Ali, Dubai, United Arab Emirates.

The parent shareholder company is Euro Forbes Limited, Dubai and the ultimate parent company is Eureka Forbes Limited, India.

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

2 Basis of preparation

Statement of Compliance
The financial statements of the company have been prepared under accrual basis of accounting and on the basis theat the company will continue as going concern in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and the applicable requirements issued by the Jebel Ali Free Zone Authority.

Basis of measurement
The financial statements have been prepared under the historical cost basis.

Functional and presentation currency
The financial statements have been presented in US Dollars, being the functional and presentation currency of the company.

Use of estimates and judgements
The preparation of the financial statements requires management to make estimates and assumptions that may affect the reported amount of financial assets and liabilities, revenue, expenses, disclosure of contingent liabilities and the resultant provisions and fair values. Such estimates are necessarily based on assumptions about the several factors and actual results may differ from reported amounts. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are discussed in note 4.

Adoption of new and revised International Financial Reporting Standards (IFRS)

The company has applied all applicable accounting standards and amendments which are effective for annual periods beginning on or after 1 January 2020. The company has not early adopted any other standard , interpretation or amendment that has been issued but are not yet effective.

3. Summary of significant accounting policies

The accounting policies adopted which are consistent with those of the previous year in dealing with items that are considered material in relation to the financial statements are as follows:

Property, plant and equipment

Property, plant and equipment are stated at cost together with any related expenses of acquisition less accumulated depreciation and impairment if any. Depreciation is charged using the straight-line method whereby the cost of an asset is depreciated over its estimated useful lives as follows:

Furniture and office equipment	2-5 years
Vehicles	5 years

Inventories

Inventories are valued at lower of cost or net realizable value. Cost of inventories are determined using the weighted average cost method and comprises invoice value plus applicable landing charges. Net realizable value is based on estimated selling price less any further costs expected to be incurred up to disposal.

Financial instruments

Financial assets and financial liabilities are recognized when, and only when, the company becomes a party to the contractual provisions of the instrument.

Financial assets are de-recognized when, and only when, the contractual rights to receive cash flows expire or when substantially all the risks and rewards of ownership have been transferred. Financial liabilities are de-recognized when, and only when, they are extinguished, cancelled or expired.

Financial assets

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income, and fair value through profit or loss on the basis of the company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

The company's financial assets comprise financial assets measured at amortized cost, comprising trade and other receivables and cash and cash equivalents.

Trade and other receivables

Trade receivables are stated at original invoice amount less provision for any uncollectible amounts or Expected Credit Losses (ECLs). The company applies a simplified approach in calculating ECLs. Therefore, the company doesn't track changes in credit risk, but instead recognizes a loss allowance based on Lifetime ECLs at each reporting date. The company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Other current financial assets

Other current financial assets represent advance to dealers, advance to related party and refundable deposits.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and balance in current accounts that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

Financial liabilities

The company's financial liabilities comprise trade and other payables.

Trade and other payables

Liabilities are recognized for amounts to be paid in future for goods or services received, whether invoiced by the supplier or not.

Value Added Tax (VAT)

Expenses and assets are recognized net of the amount of VAT except:

• When the VAT incurred on a purchase of assets or services is not recoverable from the Federal Tax Authority, in which case, the VAT is recognized as part of the cost of acquisition of the assets or as part of the expense item, as applicable

• When receivables and payables are stated with the amount of VAT included.

The net amount of VAT recoverable from, or payable to, the Federal Tax Authority is included as part of receivables or payables in the statement of financial position.

Revenue Recognition

The company recognizes revenue from sale of goods.Revenue is measured at the fair value of the consideration received or receivable net of value added tax (VAT). Revenue is reduced for estimated returns, rebates and similar allowances

Sale of goods

Revenue is recognized at the point in time when control on such goods is transferred to the customer, generally, when the goods are delivered and have been accepted by the customer and collectability of the related receivable is reasonably assured.

Interest Income

Revenue from Interest Income is recognised on a time-proportion basis using effective interest method.

Staff end-of-services benefits

The company provides end of service benefits to its employees. The staff end of service gratuity is calculated in accordance with the UAE Labour Law which up to the previous year was accounted on cash basis. This has resulted in earlier years' charge of USD 6,787 during the year. The entitlement to this benefit is based upon the employees' basic salary and length of service. The expected dosts of this benefit are accrued over the period of employment and disclosed as a non-current liability.

Foreign currency transactions

Transactions in currencies other than US Dollor are converted into US dollars at the rate of exchange ruling on the date of the transaction.

Assets and liabilities expressed in currencies other than US dollors are translated into US dollars at the rate of exchange ruling at the date of statement of financial position.

Resulting exchange gains/losses are taken to the statement of profit or loss and other comprehensive income.

4. Significant accounting judgment employed in applying accounting policies and key sources of estimation uncertainties

4.1 Significant judgment employed

Impairment of non-financial assets

The company assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. If any of such indication exists, the company estimates the asset's recoverable amount. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash- generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

4.2 Key sources of estimation uncertainty

Key assumptions made concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are as follows:

Impact of COVID - 19

In January 2020, the World Health Organisation (WHO) announced global health emergency because of a new strain of coronavirus originating in Wuhan, China ("the COVID-19 outbreak"). Subsequently, WHO classified COVID-19 outbreak as a pandemic based on the rapid increase in exposure and infections across the world. The pandemic nature of this disease has necessitated global travel restrictions and total lockdown in most countries of the world, with negative implications on the global economy and social life.

As a result of the above, the company continues to assess regularly the impact of COVID-19 on its business, in particular the potential impact on export sales due to border restrictions. The evolution od COVID-19 is changing rapidly on a daily basis. The unprecedented nature of the crisis, the lack of historical data, the low visibility and the high uncertainity related to its evolution, its duration, its impact on the economy in general and the business in particular, make the quantification of its impact on the business difficult to assess accurately at this stage. however, the management has considered area of operational risk and assessed various measures to ensure continuity of the operations.

Inventory provision

Management regularly undertakes a review of the company's inventory in order to assess the likely realization proceeds, taking into account purchase and replacement prices, age, likely obsolescence, the rate at which goods are being sold and the physical damage. Based on the assessment assumptions are made as to the level of provisioning required.

Provision for expected credit losses on trade receivables

The company recognizes a loss allowance for expected credit losses (ECL) on its trade receivables. The amount of expected credit losses is updated at the end of each reporting period to reflect changes in credit risk since initial recognition of the respective financial assets. The company recognizes lifetime ECL for trade receivables, using the simplified approach.

The expected credit losses on these financial assets are estimated using provision using the company's historical credit loss experience, adjusted for factors that are specific to the receivables, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

Provision of impairment of other receivables

For all other receivables, the company recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the company measures the loss allowance for that financial instrument at an amount equal to 12 months ECL.

The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the end of the reporting period or an actual default occurring.

Notes to the Financial Statements
for the year ended 31 December 2019

6 Property Plant and Equipment

	Furniture and Office Equipment		Vehicles		Total	
	US $	INR Lakhs	US $	INR Lakhs	US $	INR Lakhs
Cost						
As at 01.01.2019	1,684	(1.04)	8,169	4.35	9,853	3.31
Additions					-	-
Deletions					-	-
Exchange Difference		2.24		1.46	-	3.70
As at 31.12.2019	1,684	1.20	8,169	5.81	9,853	7.01
Additions	-				-	-
Deletions	-				-	-
Exchange Difference	-	0.03		0.15	-	0.18
As at 31.12.2020	1,684	1.23	8,169	5.96	9,853	7.19
Accumulated Depreciation						
As at 01.01.2019	1,533	(1.16)	8,169	4.39	9,702	3.23
Additions	85	0.06			85	0.06
Deletions					-	-
Exchange Difference		2.25		1.42	-	3.67
As at 31.12.2019	1,618	1.15	8,169	5.81	9,787	6.96
Additions	66	0.05			66	0.05
Deletions					-	-
Exchange Difference		0.03		0.15	-	0.18
As at 31.12.2020	1,684	1.23	8,169	5.96	9,853	7.19
Net Block						
31.12.2019	66	0.05	-	-	66	0.05
31.12.2020	-	-	-	-	-	-

6 Loan to a parent shareholder company

This represents unsecured and 5 % p.a interest bearing loan together with interest accrued thereon advanced to Euro Forbes Limited, the parent shareholder company to meet with its investments, working capital and general corporate requirements, repayable after 3 years from the date of first disbursement of the working capital finance based on the business exigencies of the parent shareholder company.

Movement in this account were as follows:

	2020 US $	2020 INR Lakhs	2019 US $	2019 INR Lakhs
Opening Balance	-	-	-	-
Funds advanced	9,50,000	693.11		
Interest Charged for the year	44,431	32.42		
Closing balance	**9,94,431**	**725.53**	**-**	**-**

7 Inventories

	2020 US $	2020 INR Lakhs	2019 US $	2019 INR Lakhs
Goods for re-sale	1,32,074	96.36	1,07,440	76.50
Provision for slowmoving inventories #	(30,374)	(22.16)	(30,374)	(21.63)
	1,01,700	74.20	77,066	54.87

Inventories lying at third party warehouse comprising water purifiers, filters and purifications devices, electrical and electronics appliances and related items are stated as per the items physically taken, valued and certified by the management

As at 31st December 2020, the ageing of inventories are as follows:

	Total USD	0-45 days USD	46-90 days USD	91-180 days USD	181-365 days USD	> 365 days USD
	1,32,074	1,468	21,377	13,947	19,268	76,014
INR Lakhs	96.37	1.07	15.60	10.18	14.06	55.46

Although, inventories of USD 76,014 are carried over a period of more than 365 days, they are considered good and saleable at a price above carrying value and accordingly provision of USD 30,374 is considered adequate by the management.

Movements in provision for slow moving inventories were as follows :

	2019 US $	2019 INR Lakhs	2018 US $	2018 INR Lakhs
Opening Balance	30,374	21.63	23,546	21.63
Provision for the year		0.53	6,828	-
Closing Balance	30,374	22.16	30,374	21.63

8 Trade Receivables

	Local Customers USD	Overseas Customers Related parties USD	Dealers USD	Others USD	2020 Total USD	2019 USD
Trade Receivables ~	57,802	33,12,178	1,31,211	-	35,01,191	35,25,174
Provision for doubtful receivables	-	(20,62,271)	(34,423)	-	(20,96,694)	(1,73,624)
Total USD	57,802	12,49,907	96,788	-	14,04,497	33,51,550
INR Lakhs	42.17	911.92	70.62	-	1,024.71	2,386.41

~Includes USD 3,312,178 (INR 2,416.53 Lakhs (previous year USD 3,287,307 (INR 2,340.67 Lakhs) due from overseas related parties on trade account dealings.

The company's average credit period is 0 to 120 days for the local customers and in respect of overseas dealers and related parties, open ended credit period is granted. Although trade receivables of USD 2,966,418 (INR 2164.27 lakhs) are unsecured and past due, in the opinion of the management, they are considered good and recoverable and a provision of USD 2,096,694 (INR 1,529.73 Lakhs is considered adequate. Since the date of statement of financial position, the company has recovered USD 322,524 (INR 235.31 Lakhs) from trade receivables.

As at 31st December 2020, the ageing of accounts receivable was as under :

	Total USD	< 120 days USD	120-150 days USD	151-365 days USD	> 365 days USD
2020	35,01,191	5,34,773	1,25,343	7,35,934	21,05,141
INR Lakhs	2,554.44	390.17	91.45	536.93	1,535.89

@ Movement in the provision for doubtful receivables was as under

	2020 US $	2020 INR Lakhs	2019 US $	2019 INR Lakhs
Opening Balance	1,73,624	123.88	2,31,99,238	16,109.66
Provision for the year	19,23,070	1,425.42	1,73,624	121.44
Utilised during the year	-	-	-23199238	-16107.22
Closing Balance	20,96,694	1,549.30	1,73,624	123.88

9 Advances and other receivables

	2020 US $	2020 INR Lakhs	2019 US $	2019 INR Lakhs
Advance to dealers	9,700	7.08	13,500	9.61
Advance to related party*	12,57,569	917.51	12,97,569	923.91
	12,67,269	924.59	13,11,069	933.52
Provision for doubtful receivables	(12,67,269)	(924.59)	(64,878)	(46.20)
	-	-	12,46,191	887.32
VAT recoverable	3,592	2.62	2,897	2.06
Advance to suppliers	45,454	33.16	-	-
Deposits	4,165	3.04	4,149	2.95
	53,211	38.82	12,53,237	892.33

* This represents unsecured and non interest bearing funds advanced to a related party to meet with its working capital and general corporate requirements which is repayable on demand.
@ Movement in the provision for doubtful receivables was as under:

	2020 US $	2020 INR Lakhs	2019 US $	2019 INR Lakhs
Opening Balance	64,878	46.71	53,44,122	3,711.44
Provision for the year	12,02,391	891.24	74,678	52.23
Utilised During the year	-	-	(53,53,922)	(3,716.96)
Closing Balance	12,67,269	937.95	64,878	46.71

10 Cash and Cash Equivalents

	2020	2020	2019	2019

	US $	INR Lakhs	US $	INR Lakhs
Cash on hand	1,362	0.99	1,362	0.97
Bank Balance in current accounts	7,01,540	511.84	8,50,344	605.47
	7,02,902	512.83	8,51,706	606.44

11 Share Capital

	2020 US $	2020 INR Lakhs	2019 US $	2019 INR Lakhs
Authorised:				
1632 shares of AED 100,000 each	4,44,60,498	30,173.42	4,44,60,498	30,173.42
(USD 1 converted @ AED 3.6707)				
Issued and paid up:				
Euro Forbes Limited , UAE	4,43,78,853	30,129.10	4,43,78,853	30,129.10
Forbes Lux International AG, Switzerland	81,645	44.32	81,645	44.32
	4,44,60,498	30,173.42	4,44,60,498	30,173.42

11. Shareholder's Loan account

This represents loan together with interest accrued thereon from Euro Forbes Limited, one of the shareholders of the company. This loan is unsecured, which carries interest charge of 6-7.5% and is not subject to any fixed term of repayment.

Movements in the shareholder's loan and interest payable account were as follows:

	2020 US $	2020 INR Lakhs	2019 US $	2019 INR Lakhs
Shoareholder's Loan				
Opening Balance	-	-	1,28,00,000	9,114.02
Funds received / (repaid) net	-	-	(1,28,00,000)	(9,114.02)
	-	-	-	-
Interest Payable				
Opening Balance	-	-	11,63,264	821.99
Interest charge for the year			1,92,000	134.30
Repaid during the year			(13,55,264)	(956.29)
Closing Balance	-	-	-	-
	-	-	-	-

13 Trade Payables

Trade payables of USD 760,981 (INR 555.20 Lakhs) (previous year USD 183,321 (INR 130.53 Lakhs) includes USD 682,014 (INR 497.59 Lakhs) (previous year USD 155,510 (INR 110.73 Lakhs) due to related parties on trade account.

The average credit period on purchase of goods iis 0-120 days, except payables to related parties where extended credit period is availed. The company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms

Since the date of statement of financial position, the company has paid USD 504,324 (INR 367.95 Lakhs) to trade payables.

14 Cost of Sales

	2020 US $	2020 INR Lakhs	2019 US $	2019 INR Lakhs
Opening inventories	1,07,440	76.50	1,08,644	77.36
Purchases during the year (including direct expenses)	13,98,583	1,036.66	17,87,660	1,250.40
Closing inventories	(1,32,074)	(96.36)	(1,07,440)	(76.50)
	13,73,949	1,016.80	17,88,864	1,251.26

15 Administrative and Selling Expenses

	2020 US $	2020 INR Lakhs	2019 US $	2019 INR Lakhs
Directors Remuneration	66,412	49.23	62,884	43.98
Staff Salaries and Benefits	-	-	-	-
Office Rent	19,535	14.48	19,496	13.64
Warehousing & logistics expense	7,915	5.87	5,822	4.07
Other administrative expenses (net)	25,567	18.95	43,243	30.25
Exchange loss	2,936	2.18	8,267	5.78
Selling & distribution expenses	2,13,922	158.56	2,20,329	154.11
Bad Debts	-	-	-	-
Depreciation	66	0.05	85	0.06

	3,36,353	249.32	3,60,126	251.89

16 Finance Charges

	2020 US $	2020 INR Lakhs	2019 US $	2019 INR Lakhs
Interest to related parties	-	-	1,92,000	134.30
Bank Charges	7,051	5.23	10,148	7.10
	7,051	5.23	2,02,148	141.40

17 Related party transactions and balances

The company in the normal course of business enters into transactions with other business enterprises that fall within the definition of related party as contained in the International Accounting Standard - 24.

Related parties comprise the parent company of a shareholder, shareholder companies, companies under common ownership and/or common management control and key management personnel as under:

Shareholders:
Euro Forbes Limited, Dubai
Forbes Lux International AG, Switzerland

Ultimate Parent company of a shareholder:
Eureka Forbes Limited, India

Entities under common control
Lux International AG, Switzerland
LIAG Trading and Investment Limited Dubai
Euro P2P Direct Thailand Co. Ltd., Thailand
Aquaignis Technologies Pvt. Ltd., India

Key Management Personnel:
Rajagopalan Sambamoorthy - Director
Sunil Dhondiram Uphale - Director / Manager

As at the date of statement of financial position, balances and significant transactions during the year with related parties were as follows:

	2020 USD Dr. / (Cr)	2020 INR Lakhs Dr. / (Cr)	2019 USD Dr. / (Cr)	2019 INR Lakhs Dr. / (Cr)
Balances				
Loan to a parent shareholder company				
Euro Forbes Limited	9,94,431	725.53		
Trade Receivables				
Eureka Forbes Limited	14,064	10.26	14,064	10.01
Euro P2P Direct Thailand Co Ltd	32,98,114	2,406.27	32,73,243	2,330.66
	33,12,178	2,416.53	32,87,307	2,340.67
Advances				
Euro P2P Direct Thailand Co Ltd	12,97,569	946.69	12,97,569	923.91
Trade Payables				
Eureka Forbes Limited	(6,43,204)	(469.28)	(1,36,105)	(96.91)
Aquaignis Technologies Pvt. Ltd.	(38,810)	(28.32)	(19,405)	(13.82)
	(6,82,014)	(497.60)	(1,55,510)	(110.73)
Staff year end service gratuity				
Sunil Dhondiram Uphale	(8,502)	(6.20)	-	-
Transactions				
Sales :				
Euro P2P Direct Thailand Co Ltd	(13,24,873)	(982.03)	(17,13,354)	(1,198.42)
LIAG Trading and Investment Limited	-	-	(51,466)	(36.00)
Lux International AG	(51,466)	(38.15)	(24,649)	(17.24)
	(13,76,339)	(1,020.18)	(17,89,469)	(1,251.66)
Purchases:				
Eureka Forbes Limited	9,29,827	689.21	11,09,572	776.10
Aquaignis Technologies Pvt. Ltd.	1,55,240	115.07	1,19,240	83.40
Lux International Service Logistics GmBH		-		-
	10,85,067	804.28	12,28,812	859.50
Provision for doubtful receivables:				
Euro P2P Direct Thailand Co Ltd	30,07,884	2,229.51	1,63,663	114.48
Finance Costs:				
Euro Forbes Limited	-	-	1,92,000	134.30
Director's Remuneration				
Sunil Dhondiram Uphale	66,412	49.23	62,884	43.98
Selling and distribution expenses:				
Euro P2P Direct Thailand Co Ltd	36,182	26.82	36,791	25.73

Transactions with related parties are as carried out at the terms agreed between the parties.

Transactions with related parties represent unsecured and interest free and/or bearing funds provided or received to meet with working capital requirements

18 Financial instruments: Credit, liquidity and market risk exposures

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial assets, which potentially expose the company to concentrations of credit risk, comprise principally other financial assets, bank current accounts, trade and other receivables and amount due from related parties and dealers. The company bank current accounts are placed with high credit quality financial institution.

The company has derived 85% of its sales (previous year 75%) from two related parties. As at 31 December 2020, the company is exposed to credit risk from trade and other receivables and advance to related parties and dealers. The company's maximum exposure to credit risk from trade receivables situated outside the U.A.E. amounts to USD 3,429,325 (INR 2,502.00 Lakhs) (previous year USD 3,472,469 (INR 2472.51 lakhs) – net of provision) due from 2 customers and USD 1,267,269 (INR 924.59 Lakhs) (previous year USD 1,311,069 (INR 933.54 Lakhs)- net of provision) due from the dealers and a related party. There are no other significant concentrations of credit risk to receivables outside the industry in which the company operates.

There are no significant concentrations of credit risk to receivables outside the industry in which the company operates.

Liquidity risk

Liquidity risk is the risk that the company will not be able to meet financial obligations as they fall due. Ultimate responsibility for liquidity risk management rests with the ultimate parent company, which has resolved to inject funds by way of share capital for the management of short, medium and long-term funding and liquidity requirements.

Market risk

Market risk is a risk that changes in market prices, such as interest rate risk and currency risk, will affect the company's income or the value of its holdings of financial instruments.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Loans and advances from and to related parties are at fixed rate of interest.

Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. There is no significant currency risk as substantially all financial assets and financial liabilities are denominated in US Dollars or UAE Dirhams, which is fixed to US Dollars rate.

	2020 US $	**2020 INR Lakhs**	**2019 US $**	**2019 INR Lakhs**
Foreign Currency Financial Assets				
Bank Balance				
Euro	11,204	8.17	24,478	17.43
Foreign Currency Financial Liability				
Trade payabls				
Euro	66,304	48.37	14,973	10.66

19 Capital Risk Management

The company manages its capital to ensure that the company will be able to continue as a going concern while maximising the returns to the shareholders through optimisation of debt and equity balance.The capital structure of the company comprises net debt (interest bearing borrowings offset by bank balances and cash) and equity comprising issued and paid up capital and accumulated losses.

20 Contingent liability and capital commitments

There are no contingent liabilities of significant in nature outstanding and capital commitments at the date of statement of financial position.

21 Comparative figures

Previous year's figures have been regrouped / reclassified wherever necessary to conform to the presentation adopted in the current year. Such reclassification do not affect the previously reported loss, net assets or equity of the Company

22 Approval of the financial statements

The financial statements were approved by the Board of Directors on 18 April 2021 and authorised Mr.Sunil Dhondiram Uphale to sign on behalf of the board.

FORBES LUX INTERNATIONAL AG
(a Subsidiary of Eureka Forbes Limited)

Financial Statements
For the year ended December 31, 2020

Report of the Independent Auditor to the Board of Directors on the Financial Statements of Forbes Lux International AG, Wallisellen

As independent auditor, we have been engaged to audit the accompanying financial statements of Forbes Lux In ternational AG, which comprise the balance sheet, income statement, statement of changes in equity, cash flow
statement, and notes for the year ended 31 December 2020

Board of Directors' Responsibility
The board of directors is responsible for the preparation of the financial statements in accordance with Swiss GAAP FER. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The board of directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the existence and effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements for the year ended 31 December 2020 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with Swiss GAAP FER.

Emphasis of matter
We draw attention to Note 14 in the financial statements describing the liquidity difficulties the company during the financial year ended 31 December 2020. This fact together with other matters disclosed in Note 14 and 15 indicate the existence of a material uncertainty that may cast significant doubt about Forbes Lux International AG ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

Roman Wenk
Licensed Audit Expert
Auditor In charge

Yvonne Lingg
Licensed Audit Expert

Zurich, 17 March 2021

Enclosure:
- Financial statements (balance sheet, income statement, statement of changes in equity, cash flow statement and notes)

FORBES LUX INTERNATIONAL AG,Baar
BALANCE SHEET AS OF 31st DECEMBER 2020

	Note	2020 CHF	2020 INR Lakhs	2019 CHF	2019 INR Lakhs
ASSETS					
Current assets					
Cash and cash equivalents		133	0.10	1,030	0.76
Other Current Receivables	2	3,722	2.74	6,184	4.55
Total Current Assets		**3,855**	**2.84**	**7,214**	**5.31**
Non-Current assets					
Financial Assets	3	51,92,537	3,820.85	73,87,483	5,435.97
Investment	10	4,15,07,091	19,653.14	4,85,65,091	24,671.95
Total Non-Current assets		**4,66,99,628**	**23,473.99**	**5,59,52,574**	**30,107.92**
TOTAL ASSETS		**4,67,03,483**	**23,476.83**	**5,59,59,788**	**30,113.23**
EQUITY AND LIABILITIES					
Liabilities					
Other payables					
Other Short-term Payables		57	0.04	56,710	41.73
Current Interest Bearing Loans		17,65,828	1,299.36	19,42,082	1,429.05
Accrued Expenses		1,60,010	117.74	2,56,121	188.46
Total current Liabilities	**4**	**19,25,895**	**1,417.14**	**22,54,913**	**1,659.24**
Deferred Tax Liabilities	5	6,97,071	512.93	4,11,509	302.80
Interest Bearing Loans	6	4,90,10,635	36,063.74	3,98,95,238	29,356.31
Total Non-Current liabilities		**4,97,07,706**	**36,576.67**	**4,03,06,747**	**29,659.11**
Total Liabilities		**5,16,33,601**	**37,993.81**	**4,25,61,660**	**31,318.35**
Shareholder's equity					
Share Capital		3,68,00,000	24,697.58	3,68,00,000	24,697.58
Participation Certificates Share Capital		3,42,00,000	22,171.85	3,42,00,000	22,171.85
Capital contribution reserves		11,20,820	771.94	11,20,820	771.94
Accumulated Losses					
Retained Earnings		(5,87,22,693)	(40,401.96)	(2,86,64,859)	(19,028.42)
Loss for the period		(1,83,28,246)	(13,032.86)	(3,00,57,834)	(21,373.54)
Foreign Currency Translation Reserve			(8,723.53)		(8,444.53)
Total shareholders' equity		**(49,30,119)**	**(14,516.98)**	**1,33,98,127**	**(1,205.12)**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**4,67,03,483**	**23,476.83**	**5,59,59,788**	**30,113.23**

FORBES LUX INTERNATIONAL AG,Baar
INCOME STATEMENT 2020

	Note	2020 CHF	2020 INR Lakhs	2019 CHF	2019 INR Lakhs
OPERATING REVENUES					
Consulting Fees		1,44,129	102.49	-	-
Total Operating Revenues		**1,44,129**	**102.49**	**-**	**-**
OPERATING EXPENSES					
Invoiced Salary		(15,200)	(10.81)	(38,412)	(27.31)
Office and administration expenses		(273)	(0.19)	(4,051)	(2.88)
Events,meetings and travel expenses		-	-	(1,835)	(1.30)
Legal and consulting expenses		(63,856)	(45.41)	(54,606)	(38.83)
Service expenses-Group		(36,000)	(25.60)	(36,000)	(25.60)
Total operating expenses		**(1,15,329)**	**(82.01)**	**(1,34,904)**	**(95.92)**
OPERATING RESULT		**28,800**	**20.48**	**(1,34,904)**	**(95.92)**
Financial Income	8	17,26,430	1,227.63	15,28,497	1,086.89
Financial Expenses	8	(15,80,935)	(1,124.17)	(14,77,162)	(1,050.38)
Total Financial Result		**1,45,495**	**103.46**	**51,335**	**36.51**
ORDINARY RESULT		**1,74,295**	**123.94**	**(83,569)**	**(59.41)**
NON-OPERATING INCOME/(EXPENSES)					
Restructuring Expenses	12	(1,13,42,031)	(8,065.10)		
Impairment of financial assets	10	(70,58,000)	(5,018.81)	(2,95,47,000)	(21,010.31)
Non-operating Income/(Expenses)	13	2,04,885	145.69	(74,338)	(52.86)
			-		-
Total non-operating income/(expenses)		**(1,81,95,146)**	**(12,938.22)**	**(2,96,21,338)**	**(21,063.17)**
NET LOSS BEFORE TAXES		**(1,80,20,851)**	**(12,814.28)**	**(2,97,04,907)**	**(21,122.58)**
Tax Expenses	9	(3,07,395)	(218.58)	(3,52,927)	(250.96)
NET LOSS FOR THE YEAR		**(1,83,28,246)**	**(13,032.86)**	**(3,00,57,834)**	**(21,373.54)**

FORBES LUX INTERNATIONAL AG, Baar
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

	2020		2019	
	TCHF	**INR Lakhs**	**TCHF**	**INR Lakhs**
CASH FLOWS FROM OPERATING ACTIVITIES				
Result before tax	(18,021)	(12,814.28)	(29,705)	(21,122.58)
Adjustments for:				
Depreciation, amortisation, impairment	7,058	5,018.81	29,547	21,010.31
Interest income	(218)	(155.11)	(225)	(160.25)
Interest expense	1,581	1,124.17	1,476	1,050.37
Restructuring Expenses	11,342	8,065.10		
Foreign currency (gains) / losses	(1,508)	(1,072.31)	(1,303)	(926.54)
Other Non Cash Income				
Operating cash flow before changes in operating working capital	**233**	**166.38**	**(210)**	**(148.69)**
(Increase) Decrease in other receivables and prepaid expenses	2	1.47	1	0.74
Increase (Decrease) in other current liabilities, accrued liabilities	(153)	(112.58)	150	110.38
Cash generated from / (used in) operations	**82**	**55.27**	**(59)**	**(37.57)**
Interest paid	(116)	(82.49)	(390)	(277.32)
Income taxes paid	(43)	(30.58)	-	-
Net cash flow (used in) operating activities	**(77)**	**(57.80)**	**(449)**	**(314.89)**
CASH FLOWS FROM INVESTING ACTIVITIES				
Loans Paid to Lux Intrnational AG	(4,273)	(3,144.22)	(5,284)	(3,888.15)
Proceeds from repayment of loans from related parties	91	66.96	2,600	1,913.17
Net cash flow (used for) / from investing activities	**(4,182)**	**(3,077.26)**	**(2,684)**	**(1,974.98)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Shareholder loans received	2,609	1,919.79	4,817	3,544.52
Third Party Loan Re-Payment	-	-	(1,982)	(1,458.42)
Third Party Loan Received	581	427.52		
Related parties loans received	1,068	785.87	248	182.49
Net cash flow used in financing activities	**4,258**	**3,133.18**	**3,083**	**2,268.59**
Net decrease / increase in cash and cash equivalents	**(1)**	**(1.88)**	**(50)**	**(21.28)**
Cash and cash equivalents beginning of year	1	0.76	51	36.16
Foreign Currency Translation reserve		1.12		(14.12)
Net cash and cash equivalents end of year	**(0)**	**0.00**	**1**	**0.76**
Cash and cash equivalents consist of:				
Cash and cash equivalents as per the balance sheet	**(0)**	**0.00**	**1**	**0.76**

Statement of Changes in Equity

		Share capital		Participation Share capital		Capital Contribution Reserv		Retained Earnings		Total		FCTR	TOTAL
		CHF	INR Lakhs	CHF	INR Lakhs	CHF	INR Lakhs	CHF	INR Lakhs	CHF	INR Lakhs		
Equity beginning of the year	**01.01.2019**	#########	24,697.58	#########	22,171.85	11,20,820	771.94	(2,86,64,859)	(19,028.42)	4,34,55,961	28,612.95	(5,572.43)	23,040.52
Capital Increase										-	-		-
Capital Contribution Reserve										-	-		-
Retained Earnings										-	-		-
Profit of the year								(3,00,57,834)	(21,373.54)	(3,00,57,834)	(21,373.54)	(2,872.10)	(24,245.64)
Dividends													
Equity end of the year	**31.12.2019**	#########	24,697.58	#########	22,171.85	11,20,820	771.94	(5,87,22,693)	(40,401.96)	1,33,98,127	7,239.41	(8,444.53)	(1,205.12)
Capital Increase										-	-		-
Capital Contribution Reserve										-	-		-
Retained Earnings										-	-		-
Profit of the year								(1,83,28,246)	(13,032.86)	(1,83,28,246)	(13,032.86)	(279.00)	(13,311.86)
Dividends										-	-		-
Equity end of the year	**31.12.2020**	#########	24,697.58	#########	22,171.85	11,20,820	771.94	(7,70,50,939)	(53,434.82)	(49,30,119)	(5,793.45)	(8,723.53)	(14,516.98)

Share capital consists of a total of 36,800 registered shares, nominated to CHF 1,000 per share and of 34,200 registered participation certificates, nominated to CHF 1,000 per certificate.

FORBES LUX INTERNATIONAL AG,Baar
BALANCE SHEET AS OF 31st DECEMBER 2020

1 **Principles**

These financial statements of Forbes Lux International AG, Baar (Switzerland) were prepared in addition to the statutory financial statements according to Swiss CO and are in accordance with the framework and selected central recommendation of Swiss GAAP FER (Core FER) as the company qualifies for a small organisation. On this basis, internal classification, valuation and reporting principles have been defined and applied uniformly. The financial statements are based on results with cut-off date as of 31 December and constitute a true and fair view of the financial position, earnings and cash flows. The consolidated financial statements have been prepared on a going concern basis, which assumes that the Group will be able to discharge its liabilities including the mandatory repayment terms of the banking facilities as disclosed in Note 6.

Accounting policies and valuation principles

1.1. **Revenue**
The income of the company consists of income from dividends.

1.2 **Investments**

Investments are stated at cost values. Cost is determined as the acquisition value at historical FX rates. The same applies for capital increases subscribed after the initial acquisition.
From time to time, an Impairment Test is conducted to verify the book value. In a case where the Impairment Test reveals a lower value, a provision (value adjustment) will be recorded according to the lower valuation.
The Impairment Test normally consists of future Cash Flow projections, using the DCF methodology, including a residual value. Adjustments for cash and cash equivalent positions (including Bank overdrafts) as well as for financial liabilities, will be included.

1.3 **Deferred Tax Assets**

Deferred tax assets on tax lossess carried forward are recognized only to the extent that they can be netted with temporary differences resulting in deferred income tax provisions

1.4 **Non-current interest-bearing liabilities**
Interest-bearing liabilities are recognized in the balance sheet at nominal value.

2 **Other current receivables**

	2020		2019	
	CHF	INR Lakhs	CHF	INR Lakhs
VAT recoverable CHF	3,722	2.74	6,184	4.55
Total	3,722	2.74	6,184	4.55

3 **Financial Assets**

	2020		2019	
	CHF	INR Lakhs	CHF	INR Lakhs
Non-current loan to Lux International AG - company in which the entity holds an investment	51,92,532	3,820.85	73,87,478	5,435.96
Investment in Forbes Lux FZO (1%)	5	-	5	-
Total long-term loans	**51,92,537**	**3,820.85**	**73,87,483**	**5,435.96**

4 **Current liabilities**

	2020		2019	
	CHF	INR Lakhs	CHF	INR Lakhs
Account payable 3rd parties	57	0.04	56,710	41.73
Accruals related parties	62,294	45.84	-	-
Provision for Taxes	-	-	1,56,406	115.09
Loan Axis Bank - 3rd party	17,65,828	1,299.36	19,42,082	1,429.05
Accruals 3rd parties	97,716	71.90	99,716	73.37
	19,25,895	**1,417.14**	**22,54,914**	**1,659.24**

5 **Taxes**

Current tax
Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the balance sheet date.

Deferred tax
Deferred income tax is provided using the balance sheet liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for SWISS GAAP FER financial reporting purposes. Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. A deferred tax liability is recognised for all taxable temporary differences, unless the deferred tax liability arises from goodwill for which amortisation is not tax deductible. Non-recoverable withholding taxes are only accrued if a distribution by subsidiary companies is foreseen. Tax Rate: 18.6 %

6 **Long term loans**

The loan from Eureka Forbes is granted at an interest of 4% plus + 6 month EUR-Libor or 5%, Axis Bank at 3.75% + 6 month USD-Libor. The duration of the loans from Eurka Forbes Ltd. in the amount of EUR 33,950,432 and USD 4298047.33 (total CHF 40,611,673.13 (INR 33,572.17 Lakhs) and From related parties in the total amount of USD 1,350,000.00 (CHF 1,191,933.9) (INR 985.33 Lakhs) are more than 1 year. The duration of loans from third party in the total amount of USD 601,428.26 (total CHF 531,009.43) (INR 438.96 Lakhs) are less than 1 year. However, there is an option to extend those loans to a duration of more than 1 year.

	2020		2019	
	CHF	INR Lakhs	CHF	INR Lakhs
Loan Eureka Forbes Ltd. - shareholder	4,06,11,673	29,883.49	3,15,94,519	23,248.35
Accrued loan interest Eureka Forbes Ltd. - shareholder	66,76,018	4,912.45	61,15,877	4,500.28
Loan Euro Forbes Ltd. - Related Party	11,91,934	877.07	2,42,760	178.63
Loan EPSI Holdings Mauritius Ltd - third party	1,76,583	129.94		
Loan LIPID International Ltd - third party	1,77,844	130.86		
Loan ADIOS International Pte Ltd - third party	1,76,583	129.94		
Loan Axis Bank - 3rd party	-	-	19,42,082	1,429.05
Total	**4,90,10,635**	**36,063.75**	**3,98,95,238**	**29,356.31**

7 **Management assumptions and signficant estimates**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

8 **Financial Income**

	2020		2019	
	CHF	INR Lakhs	CHF	INR Lakhs
Interest income from Related Parties	2,18,129	155.11	2,25,359	160.25
Foreign Exchange Gains	15,08,301	1,072.52	13,03,138	926.64
	17,26,430	**1,227.63**	**15,28,497**	**1,086.89**

Financial Expenses

	2020		2019	
	CHF	INR Lakhs	CHF	INR Lakhs
Interest expense to Eureka Forbes Limited - Shareholder	(13,20,833)	(939.22)	(11,14,740)	(792.67)
Interest expense to Euro Forbes - Related Party	(78,947)	(56.14)	(1,383)	(0.98)
Interest Expenses Axis Bank - Third Party	(1,63,120)	(115.99)	(3,60,554)	(256.38)
Interest Expense other - third party	(18,035)	(12.82)		
Foreign Exchange loss	-	-	(485)	(0.34)
	(15,80,935)	**(1,124.17)**	**(14,77,162)**	**(1,050.37)**

9 **Tax Expenses**

	2020		2019	
	CHF	INR Lakhs	CHF	INR Lakhs
Income Tax	(21,832)	(15.52)	(1,11,228)	(79.09)
Deferred Tax	(2,85,563)	(203.06)	(2,41,699)	(171.87)
	(3,07,395)	**(218.58)**	**(3,52,927)**	**(250.96)**

10 **Investments**

Company and Objective	Share Capital (local currency)	31.12.2020 Share in Capital and voting rights in %	31.12.2020 Book Values	31.12.2019 Quota	31.12.2019 Book Values CHF
Lux International AG	1,95,00,000	100%	4,15,07,091	100%	4,85,65,091
Holding Company, Direct sales industry					
Total Book Value			4,15,07,091		4,85,65,091
Book Value - INR Lakhs			19,653.14		24,671.95

Based on the evaluation of the shareholding in Lux International AG ("Impairment Test") as of 31 December 2017, the Board of Directors has adjusted value of this participation by CHF 20.0 mn. The impairment test was concluded based on the DCF method ("Discounted Cash Flow"), including financial assets and financial liabilities as of the Balance date.

Indirect Participation by Forbes Lux International AG

Company	Domicile	Share Capital 31.12.2020	Share Capital 31.12.2019	Share in Capital and voting rights in % 31.12.2020	Share in Capital and voting rights in % 31.12.2019
Lux (Schweiz) AG Direct Sales Company	Switzerland	CHF 700,000 INR 547.20 Lakhs	CHF 300,000 INR 216.53 Lakhs	100%	100%
Lux Deutschland GmbH * Direct Sales Company	Germany	n/a	EUR 8,353,000 INR 7,035.42 Lakhs	100%	100%
AMC Cookware PTY Ltd. Direct Sales Company & Local production	South Africa	ZAR 100 -	ZAR 100 -	50%	50%
Lux Italia s.r.l ** Direct Sales Company	Italia	n/a	EUR 110,000 INR 93.45 Lakhs	100%	100%
LIAG Trading & Investments Limited Trading and Logistics Company	UAE	AED 100,000 INR 18.18 Lakhs	AED 100,000 INR 18.18 Lakhs	100%	100%
Lux Norway A/S *** Direct Sales Company	Norway	n/a	NOK 20,500,000 INR 1,639.08 Lakhs	100%	100%
Lux Service GmbH Logistics and services Company	Germany	EUR 25'000 INR 18.44 Lakhs	EUR 25'000 INR 18.44 Lakhs	100%	100%
Lux Oesterreich GmbH Direct Sales Company	Austria	EUR 870,000 INR 720.25 Lakhs	EUR 870,000 INR 720.25 Lakhs	100%	100%
Lux Hungary Kereskedelmi Kft. Direct Sales Company	Hungary	HUF 30'000'000 INR 85.96 Lakhs	HUF 30'000'000 INR 85.96 Lakhs	100%	100%
Lux del Paraguay S.A. Direct Sales Company	Paraguay	PYG 12'500'000'00 INR 1,370.75 Lakhs	PYG 12'500'000' INR 1,370.75 Lakhs	80%	80%
Lux Professional Paraguay SA (former Aqua Paraguay SA) Rental Company	Paraguay	PYG 2,500,000,000 INR 271.50 Lakhs	PYG 2,500,000,0(INR 271.50 Lakhs	99%	99%
Lux Welity Polska sp Z oo Direct Sales Company	Poland	PLN 100,000 INR 18.76 Lakhs	PLN 100,000 INR 18.76 Lakhs	100%	100%

* Filed for insolvency in April 2020; Liquidation process handled by an external insolvency administrator - Control lost as of 30th June 2020
** Liquidation procedure completed - control lost as of 31st December 2020
*** Shares sold in December 2020 - Control lost as of 31st December 2020

11 **Collateral provided for liabilities of third parties**

The company has pledged shares and participations in it's subsidiary as a collateral for the subsidiarie's external loan agreement.
The carrying amont of the pledged investment as at 31 December 2020 is equal to the amount of CHF 41,507,091 (INR 34,312.38 Lakhs)

12 **Restructuing expenses**

In 2020 the company granted a restructuring grant to Lux International AG in the amount of CHF 11,342,032 (INR 9,376.04 lakhs)

13 **Non-operating (expenses) / income**

The company has pledged shares and participations in it's subsidiary as a collateral for the subsidiarie's external loan agreement. The carrying amont of the pledged investment as at 31st December 2019 is equal to the amount of CHF 48,565,091 (INR 35735.90 Lakhs)

14 **Financial Difficulties**

Forbes Lux International Ltd and its direct and indirect subsidiaries (Lux Group) faced financial difficulties during the financial year ended 31 December, 2020. Forbes Lux International Ltd and the Lux group's ability to continue as a going concern depends on the continuing financial support of its ultimate parent company, Eureka Forbes Limited located in India (EFL). The Board of Directors of Lux International AG are taking necessary steps to revive and stabilize the business of Lux Group. Further, the ultimate parent company, EFL, issued a financial support letter dated 27 January 2021, that they undertake financial support to the extend needed to keep Forbes Lux International Ltd and Lux Group adequately capitalized. In the event of continuing loss and financial needs, EFL will provide necessary liquid funds support or equity to continue its operations. This undertaking is valid until 31 March 2022.

Should EFL be unable to provide necessary liquid funds support or equity, 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 as a going concern, the financial statement 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 followed by the Board of Directors

15 **Subsequent Events**

At 31 December 2020 the company is overindebted. In order to ensure going concern of the company, liabilities against the shareholder totaling CHF 40,611,673.13 (INR 33,572.17 Lakhs) (refer to note 6) were subordinated on 29 January, 2021.

There are no other events after the balance sheet date to report that would have a significant impact on these consolidated financial statements

FORBES TECHNOSYS LIMITED
(a wholly owned Subsidiary Company)

Financial Statements
For the year ended March 31, 2021

INDEPENDENT AUDITORS' REPORT

To the Members of Forbes Technosys Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Forbes Technosys Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS"), as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the loss and the other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

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, 2021. The Company has accumulated losses and its net worth has been fully eroded as at March 31, 2021.

We also draw attention to Note 12 of the financial statements which provides information on the 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 August 06, 2020 for outstanding term loans, cash credit, debentures and other non-funded facilities, which resulted into modifications in the terms and limits of various working capital facilities and rescheduling of principal repayments of term loans and deferred redemption of debentures.

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The aforesaid conditions and financial stress indicate the existence of a material uncertainty that may cast a significant doubt about the Company's ability to continue as a going concern. However, the financial statements of the Company have been prepared on a going concern basis for the reasons stated in Note 34.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that in our professional judgement were of most significance in our audit of the financial statements of the current period. Those matters were addressed in the context of our audit of the 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.

a) Impairment assessment of internally developed intangible assets (including assets under development)

Description of Key Audit Matter:
As on March 31, 2021, the carrying amounts of internally developed intangible assets recognised and intangible assets under development were Rs. 1,463.00 lakhs and Rs. 161.69 lakhs respectively, which together represent 19.29% of the total assets of the Company. The Company has recognised impairment expenses of Rs. 7,345.84 lakhs for the year ended March 31, 2021.

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

The Company uses judgement to assess the degree of certainty attached to the flow of future economic benefits that are attributable to the use of the asset on the basis of the evidence available at the time of impairment assessment, giving greater weight to external evidence. In the assessment of the impairment loss, the Company has taken into account estimates of possible effect from the pandemic relating to COVID -19.

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

Our response:

- We held discussions with Company's technical team overseeing the development process to understand the feasibility of the assets under development and other resources currently available as well as resources required to complete the assets.
- We evaluated the methodology used in assessment of impairment by the Company.
- We assessed the reliability of management's forecast of future cash flows through a review of actual performance against previous forecasts.

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- We reviewed the impairment testing carried out by the Company while verifying the carrying amount of the intangible assets and intangible assets under development.

b) Allowance for expected credit loss on trade receivables

Description of Key Audit Matter:
As on March 31, 2021, the carrying amount of trade receivable was Rs. 4,022.95 lakhs (net of provision for expected credit loss of Rs. 1,749.36 lakhs) which represent 47.78 % of the total assets of the Company.

The Company exercises significant judgment in calculating the expected credit losses on trade receivables. The Company determines the allowance for credit losses as per provision matrix based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company considers current and anticipated future economic conditions relating to industries the Company deals with. In calculating expected credit loss, the Company has also considered relevant credit information of its customers (to the extent the Company has access to such information) to estimate the probability of default in future and age-wise analysis of outstanding amounts.

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

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

Our response:

- We tested the effectiveness of controls over the development of the provision matrix for the allowance for credit losses, including consideration of the current and estimated future economic conditions.

- We verified the completeness and accuracy of information used while calculating the provision for expected credit loss and ageing of the receivables.

- We analysed the profile of the customers and credit information, to the extent available in respect of certain customers on a sample basis.

- We analysed the reasonability of the provision matrix and tested the mathematical accuracy and computation of the allowances by using the same input data used by the Company.

Information other than the financial statements and auditor's report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Company's Board Report, but does not include the financial statements and our auditor's report thereon.

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

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In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

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

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

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

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

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

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

BATLIBOI & PUROHIT
Mumbai
CHARTERED ACCOUNTANTS

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013.

e) The matter described in the 'Material Uncertainty Related to Going Concern' section above, in our opinion, may have an adverse effect on the functioning of the Company.

f) On the basis of the written representations received from the directors of the Company as on March 31, 2021 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's Internal Financial Controls over Financial Reporting.

h) With respect to the other matters to be included in the auditor's report in accordance with the requirements of section 197(16), as amended:

In our opinion and to the best of our knowledge and according to the explanations given to us, the remuneration paid/provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act. The appointment and remuneration of the new managing director with effect from March 16, 2021, however, is subject to approval from shareholders in the ensuing general meeting of the Company.

BATLIBOI & PUROHIT * Mumbai * CHARTERED ACCOUNTANTS

i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – refer Note 31 of the financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For BATLIBOI & PUROHIT
Chartered Accountants
ICAI Firm Reg. No.101048W

Janak Mehta
Partner
Membership No. 116976

BATLIBOI & PUROHIT * Mumbai * CHARTERED ACCOUNTANTS

Place : Mumbai
Date : 21st June, 2021
ICAI UDIN: 21116976AAAACB8967

Annexure - A to the Independent Auditors' Report

(Referred to under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Forbes Technosys Limited of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) The property, plant and equipment were physically verified during the year by the management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the property, plant and equipment at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) The Company does not have ownership of any immovable property.

(ii) According to the information and explanations given to us, the management has carried out physical verification of inventories at reasonable intervals during the year. Discrepancies noted on physical verification of inventories were not material and have been properly dealt with in the books of account.

(iii) The Company has not granted loans, secured or unsecured to corporate, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, made investments or given guarantees in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable. Accordingly, reporting under paragraph (iv) of the Order is not applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposits from the public during the year within the meaning of the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub section (1) of section 148 of the Companies Act, 2013, and are of the opinion that, *prima-facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) During the year, the Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities though there has been a slight delay in a few cases. There were no undisputed amounts payable in respect of provident fund, employees state insurance, income tax, value added tax, customs duty, goods and service tax, cess and other material statutory dues in arrears as at March 31, 2021 for a period of more than 6 months from the date they became payable.

BATLIBOI & PUROHIT * CHARTERED ACCOUNTANTS * Mumbai

(b) Based on our audit and according to the information and explanations given by the management, there were no dues of income tax or service tax or duty of customs or duty of excise or value added tax that have not been deposited on account of any dispute.

Details of dues of sales tax that have not been deposited as at March 31, 2021 by the Company on account of disputes:

Name of the Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates	Amount unpaid (Rs. in lakhs)*
CST Act, 1956	Sales Tax and Interest	Joint Commissioner of Sales Tax (Appeals), Mumbai	2014-15	5.93
CST Act, 1956	Sales Tax and Interest	Deputy Commissioner of State Tax, Mumbai	2015-16	1,594.46
MVAT Act, 2002	Value Added Tax and Interest	Deputy Commissioner of State Tax, Mumbai	2015-16	103.58

*Unpaid amounts are net of amount deposited under protest.

(viii) Based on our audit and according to the information and explanations given by the management, read with Note 12 to the financial statements, relating to OTR under the 'Resolution Framework for COVID-19 related Stress' as prescribed by the RBI vide its notification dated August 06, 2020, the Company has not defaulted in repayment of loans to banks or dues to debenture holders during the year. There were no outstanding loans from any financial institution or government during the year.

(ix) In our opinion and according to the information and explanations given by the management, money raised by way of term loans has been applied by the Company during the year for the purposes for which they were raised. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year.

(x) Based on our audit and according to the information and explanations given by the management no fraud by the Company nor any fraud on the Company by its officers or employees was noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013. The appointment and remuneration of the new managing director with effect from March 16, 2021, however, is subject to approval from shareholders in the ensuing general meeting of the Company.

BATLIBOI & PUROHIT Mumbai CHARTERED ACCOUNTANTS

(xii) The Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(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 accounting standards.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures during the year. Accordingly, clause 3 (xiv) of the Order is not applicable.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them. Accordingly, section 192 of the Act is not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For BATLIBOI & PUROHIT
Chartered Accountants
ICAI Firm Reg. No.101048W

BATLIBOI & PUROHIT Mumbai CHARTERED ACCOUNTANTS

Janak Mehta
Partner
Membership No. 116976

Place : Mumbai
Date : 21st June, 2021
ICAI UDIN: 21116976AAAACB8967

Annexure - B to the Independent Auditors' Report
(Referred to in paragraph (g) under 'Report on Other Legal and Regulatory Requirement's section of our report to the members of Forbes Technosys Limited of even date)

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

Opinion

We have audited the Internal Financial Controls over financial reporting of **Forbes Technosys Limited** ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI').

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining Internal Financial Controls based on the Internal Control over Financial Reporting criteria established by the Company considering the essential components of Internal Control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's Internal Financial Controls over Financial Reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of Internal Financial Controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls over Financial Reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls system over Financial Reporting and their operating effectiveness. Our audit of Internal Financial Controls over Financial Reporting included obtaining an understanding of Internal Financial Controls over Financial Reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of Internal Control based on

BATLIBOI & PUROHIT Mumbai CHARTERED ACCOUNTANTS

the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's Internal Financial Controls system over Financial Reporting of the 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.

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.

For BATLIBOI & PUROHIT
Chartered Accountants
ICAI Firm Reg. No.101048W

Janak Mehta
Partner
Membership No. 116976

BATLIBOI & PUROHIT Mumbai CHARTERED ACCOUNTANTS

Place : Mumbai
Date : 21st June, 2021
ICAI UDIN: 21116976AAAACB8967

FORBES TECHNOSYS LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021

(Rs. in Lakhs)

	Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
	Continuing Operations			
I	Revenue from operations	18	2,828.66	5,159.63
II	Other income	19	64.45	136.40
III	**Total Income (I + II)**		**2,893.11**	**5,296.03**
IV	**Expenses:**			
	Cost of materials consumed	20.1	971.48	775.43
	Purchases of stock-in-trade (traded goods)	20.2	108.64	427.69
	Changes in inventories of finished goods and stock-in-trade (traded goods)	20.3	670.04	1,018.11
	Employee benefits expense	21	1,057.30	1,207.46
	Finance costs	22	1,933.90	1,709.31
	Depreciation and amortisation expense	23.1	1,979.13	1,310.45
	Other expenses	23.2	1,932.45	4,016.31
	Total expenses (IV)		**8,652.94**	**10,464.76**
V	**Profit / (Loss) before tax and Exceptional items from continuing operations (III-IV)**		**(5,759.83)**	**(5,168.73)**
VI	Exceptional Items (Impairment expense)	4	(6,556.59)	(521.61)
VII	**Profit / (Loss) before tax from continuing operation (V-VI)**		**(12,316.42)**	**(5,690.34)**
VIII	**Tax expense**			
	Current tax			-
	Earlier years tax adjustments			-
	Deferred tax			-
IX	**Profit / (Loss) for the year from continuing operations (VII - VIII)**		**(12,316.42)**	**(5,690.34)**
	Discontinued operations			
X	**Profit / (loss) before tax from discontinued operations**	37	(860.90)	(324.58)
XI	Tax expense		-	-
XII	**Profit / (loss) for the year from discontinued operations**		(860.90)	(324.58)
XIII	**Profit / (Loss) for the year (IX + XII)**		**(13,177.32)**	**(6,014.92)**
XIV	**Other comprehensive Income**			
	Items that will not be reclassified to profit or loss			
	Remeasure gain/ (loss) of the defined benefit plans		(21.37)	11.03
	Income tax relating to items that will not be reclassified to profit or loss			-
	Total other Comprehensive Income for the period /year		(21.37)	11.03
XV	**Total Comprehensive income for the period/ year (XIII+ XIV)**		**(13,198.69)**	**(6,003.89)**
XVI	**Earning per equity share (face value Rs.10 per share)**			
	Continuing operations			
	Basic earnings per equity share		(26.40)	(21.00)
	Diluted earnings per equity share		(26.40)	(21.00)
	Discontinued operations			
	Basic earnings per equity share		(0.54)	(0.88)
	Diluted earnings per equity share		(0.54)	(0.88)

The accompanying notes form an integral part of the financial statements.

As per our report of even date
For Batliboi & Purohit
Chartered Accountants
Firm regn No.101048W

Janak Mehta
Partner
Membership No. 116976

Place : Mumbai
Date : June 21, 2021

For and on behalf of the Board of Directors

Mr. Rohit Jayakar
Managing Director

Mr. Jai Mavani
Director

Mr. Kuppuswamy Subramania
Director

Mr. Eddie Poonawala
Director

Ms. Prachi N. Dave
Director

Mr. Vinod Bhandawat
Director

Mr. Sandeep Kadakia
Chief Financial Officer

Ms. Rupa Khanna
Company Secretary

Place : Mumbai
Date : June 21, 2021

FORBES TECHNOSYS LIMITED
BALANCE SHEET AS AT MARCH 31 , 2021

(Rs. in Lakhs)

Particulars	Note No.	As on March 31, 2021	As on March 31, 2020
ASSETS			
1 Non-Current Assets			
a) Property, plant and equipment	3	25.81	56.03
b) Right of Use asset	3	84.93	163.25
c) Intangible assets	4	1,463.00	8,028.04
d) Intangible assets under development	4	161.49	2,765.79
e) Financial assets:			
i) Other financial assets	5	17.06	59.04
f) Other non-current assets	6	397.05	829.83
Total Non-Current Assets		**2,149.34**	**11,901.98**
2 Current assets			
a) Inventories	7	1,773.71	2,587.06
b) Financial assets:			
i) Trade receivables	8	4,022.95	4,218.16
ii) Cash and cash equivalents	9	37.60	177.86
iii) Bank balances other than (ii) above	9	62.51	15.95
iv) Other financial assets	5	114.78	147.18
c) Other current assets	6	258.47	556.31
Total Current Assets		**6,270.02**	**7,702.52**
Total Assets		**8,419.36**	**19,604.50**
EQUITY AND LIABILITIES			
EQUITY			
a) Equity share capital	10	4689.72	3,689.72
b) Other equity	11	(19,348.39)	(6,149.70)
Total Equity		**(14,658.67)**	**(2,459.98)**
LIABILITIES			
1 Non-Current Liabilities			
a) Financial liabilities:			
i) Borrowings	12	2705.75	773.76
ii) Lease liabilities		21.13	93.59
b) Provisions	13	139.96	188.36
Total Non-Current Liabilities		**2,866.84**	**1,055.71**
2 Current Liabilities			
a) Financial liabilities:			
i) Borrowings	14	11,622.53	12,629.36
ii) Lease liabilities		73.46	77.91
iii) Trade payables	15		
(i) Total dues of micro and small enterprises		884.84	532.00
(ii) Total dues of other creditors		2,216.00	2,415.75
iv) Other financial liabilities	16	4,730.50	4,417.01
b) Provisions	13	56.49	77.30
c) Other current liabilities	17	627.37	859.44
Total Current Liabilities		**20,211.19**	**21,008.77**
Total Liabilities		**23,078.03**	**22,064.48**
Total Equity and Liabilities		**8,419.36**	**19,604.50**

The accompanying notes form an integral part of the financial statements.

As per our report of even date
For Batliboi & Purohit
Chartered Accountants
Firm regn No.101048W

Janak Mehta
Partner
Membership No. 116976

Place : Mumbai
Date : June 21, 2021

For and on behalf of the Board of Directors

Mr. Rohit Jayakar
Managing Director

Mr. Jai Mavani
Director

Mr. Kuppuswamy Subramania
Director

Mr. Eddie Poonawala
Director

Ms. Prachi N. Dave
Director

Mr. Vinod Bhandawat
Director

Mr. Sandeep Kadakia
Chief Financial Officer

Ms. Rupa Khanna
Company Secretary

Place : Mumbai
Date : June 21, 2021

FORBES TECHNOSYS LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2021

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
Profit/(Loss) before tax from continuing operations		(12,316.42)		(5,690.34)
Profit/(Loss) before tax from discontinued operations		(860.90)		(324.58)
Adjustments for -				
Depreciation and amortisation expense	1,996.29		1,414.95	
Liabilities/ Provisions no longer required written back	(18.81)		(127.36)	
Interest income	(41.79)		(5.81)	
Finance cost	1,933.90		1,709.31	
Provision for trade receivables	453.95		1,066.72	
Provision for doubtful advances	42.88			
Loans and Advances written off	0.81		69.04	
Provision for warranty	31.87		43.39	
Provision for obsolete and slow moving inventory	451.25		543.02	
Loss on disposal/Write off of assets	-		34.86	
Impairment of intangibles assets (including under assets development)	7,345.84		521.61	
Unrealised exchange (gain)/loss [net]	-	12,196.19	3.83	5,273.56
Operating profit / (loss) before working capital changes		(981.13)		(741.36)
Adjustments for changes in working capital:				
(Decrease) / Increase in Trade payables	171.90		(1,114.71)	
(Decrease) / Increase in Trade Provisions	(122.45)		(121.55)	
(Decrease) / Increase in Other current liabilities	(232.07)		82.52	
(Decrease) / Increase in Other Financial liabilities	(26.35)		10.77	
Decrease / (Increase) in Trade receivables	(258.74)		774.54	
Decrease/ (Increase) in Inventories	362.10		614.11	
Decrease / (increase) in Other Non Current Assets	(5.17)		-	
Decrease / (Increase) in Other Financial Assets	73.57		(118.88)	
Decrease / (increase) in Other Current Assets	254.96	217.75	213.27	340.07
Cash generated from operations		(763.38)		(401.29)
Income taxes paid (net of refunds)		437.95		(245.76)
(a) Net cash generated from operating activities		**(325.43)**		**(647.05)**
Cash flows from investing activities:				
Payments for Property Plant and Equipment and intangible assets (after adjustments on account of Intangibles Under Development and capitalised expenses)	(64.25)		(325.94)	
Movement in fixed deposits not considered as cash equivalents	(46.56)		53.17	
Interest income received	41.79	(69.02)	0.26	(272.51)
(b) Net cash used in investing activities		**(69.02)**		**(272.51)**
Cash flows from financing activities:				
Cost paid relating to conversion of ICD to equity	-		(15.00)	
Redemption of Debentures	-		(2,500.00)	
Inter Corporate Deposits from Related Party	3,550.50		8,112.00	
Repayment of Inter corporate deposit	(125.00)		(2,002.00)	
Proceeds from non current borrowings (including working capital term loans)	2,693.82		-	
Repayment of non current borrowings (including working capital term loans)	(392.85)		(1,336.68)	
Proceeds from / (Repayment of) cash credits (net)	(4,240.74)		36.26	
Principal payment of Lease liabilities	(91.60)		(75.75)	
Finance costs paid	(1,139.94)	254.19	(1,548.88)	669.95
(c) Net cash used in / generated from financing activities		**254.19**		**669.95**

FORBES TECHNOSYS LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2021

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
(d) Net increase/ (decrease) in cash and cash equivalents (a + b + c)		**(140.26)**		**(249.61)**
(e) Cash and cash equivalents as at the commencement of the year				
Balances with banks in current accounts	177.79		424.71	
Cash on hand	0.07	177.86	2.76	427.47
(f) Cash and cash equivalents as at the end of the year (d + e) (Refer Note 9)				
Balances with banks in current accounts	37.53		177.79	
Cash on hand	0.07	37.60	0.07	177.86

The accompanying notes form an integral part of the financial statements.

As per our report of even date
For Batliboi & Purohit
Chartered Accountants
Firm regn No.101048W

Janak Mehta
Partner
Membership No. 116976

Place : Mumbai
Date : June 21, 2021

For and on behalf of the Board of Directors

Mr. Rohit Jayakar________________________
Managing Director

Mr. Jai Mavani _____________________________
Director

Mr. Kuppuswamy Subramania________________
Director

Mr. Eddie Poonawala________________________
Director

Ms. Prachi N. Dave__________________________
Director

Mr. Vinod Bhandawat ______________________
Director

Mr. Sandeep Kadakia ______________________
Chief Financial Officer

Ms. Rupa Khanna___________________________
Company Secretary

Place : Mumbai
Date : June 21, 2021

FORBES TECHNOSYS LIMITED
Notes forming part of the financial statements

Note No. 3 - Property, Plant and Equipment and Right of use assets **(Rs. in Lakhs)**

Particulars	**As on March 31, 2021**	**As on March 31, 2020**
A) Property, Plant and Equipment		
Carrying amount of :		
a) Furniture & Fixtures	2.31	2.96
b) Data Processing Equipments	15.11	41.47
c) Office equipment	8.39	11.60
	25.81	**56.03**
B) Right of use assets		
a) Buildings/ Premises	84.93	163.25
	84.93	**163.25**
Total	**110.74**	**219.28**

	ROU	**Property, Plant and Equipment**			
Particulars	**Buildings/ Premises**	**Furniture & Fixtures**	**Data Processing Equipments**	**Office equipment**	**Total**
I. Cost/ Deemed cost					
Balance as at March 31, 2019	**-**	**20.36**	**962.02**	**78.34**	**1,060.72**
(+) Additions	254.66	-	-	2.88	257.54
(-) Disposals/Write off	7.41	-	156.75	0.23	164.39
Balance as at March 31, 2020	**247.25**	**20.36**	**805.27**	**80.99**	**1,153.87**
(+) Additions	**-**	**-**	**-**	0.63	**0.63**
(-) Disposals/Write off					
Balance as at March 31, 2021	**247.25**	**20.36**	**805.27**	**81.62**	**1,154.50**
II. Accumulated depreciation					
Balance as at March 31, 2019	**-**	**16.75**	**751.86**	**64.53**	**833.14**
Depreciation expense	84.00	0.65	133.45	5.09	223.19
Eliminated on disposals of assets	-	-	121.52	0.23	121.75
Balance as at March 31, 2020	**84.00**	**17.40**	**763.79**	**69.39**	**934.58**
Depreciation expense	78.32	0.65	26.37	3.84	109.18
Eliminated on disposals of assets					
Balance as at March 31, 2021	**162.32**	**18.05**	**790.16**	**73.23**	**1,043.76**
III. Carrying Amount					
Balance as at March 31, 2020	163.25	2.96	41.47	11.60	219.28
Balance as at March 31, 2021	84.93	2.31	15.11	8.39	110.74

Note:
(i)Refer Note 12 for details of Property, Plant and Equipment pledged as security for the loans obtained from the Banks.
(ii)Data processing equipment includes equipment under lease having carrying amount as on March 31, 2021 is Rs.6.49 Lakhs (as on March 31, 2020 is Rs.25.61 Lakh)

FORBES TECHNOSYS LIMITED
Notes forming part of the financial statements

Note No. 4 - Intangible assets and intangible assets under development

(Rs. in Lakhs)

Particulars	As on March 31, 2021	As on March 31, 2020
Intangible Assets		
Carrying amount of :		
a)Internally developed		
Product related softwares and related technologies	1,463.00	8,027.75
b) Acquired		
Operational related softwares	-	0.30
	1,463.00	8,028.05

Particulars	Product related software	Operational software	Total
I. Cost/Deemed cost			
Balance at March 31, 2019	5,147.99	180.48	5,328.47
(+) Additions			
Additions from separate acquisitions			-
Additions from internal developments	5,623.22	-	5,623.22
(-) Disposals/Write off	41.50		41.50
Balance at March 31, 2020	10,729.71	180.48	10,910.19
(+) Additions			
Additions from separate acquisitions	63.61		63.61
Additions from internal developments	635.23		635.23
(-) Disposals/Write off	-	-	-
Balance at March 31, 2021	11,428.55	180.48	11,609.03
II. Accumulated amortisation / Impairment			
Balance at March 31, 2019	1,511.74	179.70	1,691.44
Amortisation expenses (Continuing operations)	1,102.98	0.48	1,103.46
Amortisation expenses (Discontinued operations)	104.50		104.50
Eliminated on disposals of assets	17.26		17.26
Balance at March 31, 2020	2,701.96	180.18	2,882.14
Amortisation expenses for the year (Continuing operations)	1,869.65	0.30	1,869.95
Amortisation expenses for the year (Discontinued operations)	17.16		17.16
Impairment (Continuing operations)	4,798.72	-	4,798.72
Impairment (Discontinued operations)	578.06		578.06
Eliminated on disposals of assets	-	-	-
Balance at March 31, 2021	9,965.55	180.48	10,146.03
III. Carrying Amount			
Balance as at March 31, 2020	8,027.75	0.30	8,028.05
Balance as at March 31, 2021	1,463.00	-	1,463.00

Note 4.1- Carrying amount of internally developed product related softwares and related technologies:

(Rs. In lakhs)

Particular	Carrying amount as on 31.03.2021	Carrying amount as on 31.03.2020
Cheque truncation system	1,374.43	1,835.52
Financial Inclusion	-	450.63
Insurance and Banking Kiosks	-	3,220.91
Internet of Things	-	640.85
Online money transfer and utility recharge	-	1,533.79
Queue management system	80.57	216.21
Other computer softwares	7.99	129.84
	1,462.99	8,027.74

Note :
Refer Note 12 for details of Intangible assets as security for the loans obtained from the Banks.

Note No. 4.2 - Intangible Assets Under Development

(Rs. In lakhs)

Particulars		As on March 31, 2021	As on March 31, 2020
Carrying amount at the beginning of the Year		2,765.79	8,324.76
Add: additions during the year		-	585.86
Less: completed during the year		(635.23)	(5,623.22)
Less: Write-off/Impaired during the year (Continuing operation)		(1,757.87)	(521.61)
Less: Write-off/Impaired during the year (Discontinued operation)		(211.19)	-
Carrying amount at the end of the Year	**Total**	161.49	2,765.79

Note No. 4.3 Impairment analysis and provision

During the year, based on management's assessment about the current stage of development, expected time and cost required to complete and expected revenues from the projects, the Company has concluded that following projects were impaired. Impairment expense of Rs.6556.59 lakhs in respect of assets related to continuing operations is presented as an exceptional item in the statement of profit and loss and impairment expense of Rs.789.25 lakhs in respect of assets related to discontinued operations is included under profit/(loss) for discontinued operations.

Particular	For the year ended March 31, 2021	For the year ended March 31, 2020
Related to Continuing operations		
Financial Inclusion	350.70	-
Insurance and Banking Kiosks	2,739.36	-
Internet of Things	350.53	-
Online money transfer	1,185.27	-
Queue management system	21.69	-
Other computer softwares	151.16	
Intangible assets under development	1,757.87	521.61
Total Disclosed as exceptional items	**6,556.58**	**521.61**
Related to Discontinued operations		
Online money transfer and utility recharge	578.06	-
Intangible assets under development	211.19	-
Total included under discontinued operation	**789.25**	**-**
Total impairment expenses for the year	**7,345.84**	**521.61**

FORBES TECHNOSYS LIMITED
Notes forming part of the financial statements

Note No. 5 - Other financial assets **(Rs. in Lakhs)**

Particulars	As on March 31, 2021	As on March 31, 2020
Non-current		
a) Deposits with bank held as margin money with remaining maturity of more than 12 months	17.06	59.04
Total	**17.06**	**59.04**
Current		
a) Security deposits	48.75	44.21
Less: Provision for doubtful deposits	(22.88)	-
	25.87	44.21
b) Earnest money deposits	88.91	102.97
Total	**114.78**	**147.18**

FORBES TECHNOSYS LIMITED
Notes forming part of the financial statements

Note No. 6 - Other assets **(Rs. in Lakhs)**

Particulars	As on March 31, 2021	As on March 31, 2020
Non-current		
a) Advance income tax	303.22	741.17
b) Balances with statutory / government authorities - VAT	93.83	88.66
Total	**397.05**	**829.83**
Current		
a) Prepaid expenses	11.22	37.64
b) Balances with statutory / government authorities	2.60	-
c) Others		
i) Advances to Suppliers	66.47	134.17
Less: Provision for doubful advances	(20.00)	-
	46.47	**134.17**
ii) Advances to Employees	8.50	4.84
Iii) Others*	189.68	21.81
IV) Contract assets	-	16.39
V) Deferred Contract cost	-	341.43
Total	**258.47**	**556.28**

*Includes Rs. 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. The Company has already started the process of resolving the pending service calls as per a systematic plan agreed upon with the customer. The management believes that all service calls will be resolved satisfactorily and the amount of bank guarantee is fully recoverable.

Note No. 7 - Inventories

Particulars	As on March 31, 2021	As on March 31, 2020
Valued at lower of cost and net realizable value		
a) Raw materials and components	540.24	683.55
b) Finished goods (Other than those acquired for trading)	162.79	83.86
c) Stock-in-trade (Traded goods)	1,070.68	1,819.65
Total	**1,773.71**	**2,587.06**

Notes:
(i) Refer Note 12 for details of current assets pledged as security for the loans obtained from the Banks.

(ii) The method of valuation of inventories has been stated in note 2.4.

(iii)Expense in respect of shortages and written down of slow-moving, damaged or obsolete inventories to their net realizable value amounted to Rs. 451.25 Lakhs (2020: Rs. 534.02 Lakhs)

FORBES TECHNOSYS LIMITED
Notes forming part of the financial statements

Note No. 8 - Trade receivables **(Rs. in Lakhs)**

Particulars	As on March 31, 2021	As on March 31, 2020
Current		
i) Unsecured, considered good		
From related parties (Refer note (i) below)	0.30	23.42
From others	4,022.65	4,194.74
ii) Unsecured, considered doubtful	1,749.36	1,295.41
	5,772.31	5,513.57
Less: Allowance for Expected Credit Loss	1,749.36	1,295.41
Total	**4,022.95**	**4,218.16**

Notes:

i) These amounts are receivable from a private company in which one or more directors of the Company were directors in the said private company during the year.

ii) Before accepting any new customer, the company assesses the potential customer's credit quality and defines credit limits by customers. Assessments are reviewed at regular intervals. There were no trade receivables which had significant increase in credit risk during the year or any credit impaired receivables.

iii) The Company considers customer type (as below) while making such assessment for the purpose of determining the expected credit loss allowance.

Category of Customers	As on March 31, 2021	As on March 31, 2020
Banks	4,363.54	3,934.77
Dealers	95.13	92.91
Forbes Xpress	123.01	27.30
Government	1,118.69	1,013.19
Related Party	0.30	23.42
Others	71.64	421.97
Grand Total	**5,772.31**	**5,513.56**

Movement in the expected credit loss allowance

Particulars	As on March 31, 2021	As on March 31, 2020
Balance at the beginning of the year	1,295.41	228.69
Movement in expected credit loss allowance on trade receivables Calculated at lifetime expected credit losses		
Impairment losses recognised in the year based on lifetime expected credit losses	453.95	1,066.72
Balance at the end of the year	1,749.36	1,295.41

Note No. 9 - Cash and bank balances

Particulars	As on March 31, 2021	As on March 31, 2020
a) Cash and cash equivalents		
i) Cash on hand	0.07	0.07
ii) Balances with bank		
- In current accounts	37.53	177.79
Total	**37.60**	**177.86**
b) Other bank balances		
Balances held as margin money with remaining maturity of less than 12 months	62.51	15.95
Total	**62.51**	**15.95**

FORBES TECHNOSYS LIMITED
Notes forming part of the financial statements

Note No. 10 - Equity share capital **(Rs. in Lakhs)**

Particulars	As on March 31, 2021		As on March 31, 2020	
	No. of shares	Amount	No. of shares	Amount
a) Authorised share capital				
Equity shares of Rs.10 each	4,70,00,000	4,700.00	3,70,00,000	3,700.00
b) Issued, subscribed and fully paid:				
Equity Shares of Rs.10 each with voting rights	4,68,97,200	4,689.72	3,68,97,200	3,689.72
Total	4,68,97,200	4,689.72	3,68,97,200	3,689.72

i) Reconciliation of the number of Equity shares and amount outstanding at the beginning and at the end of the reporting period:

(Rs. In lakhs)

Particulars	No. of shares	Amount
Equity shares with voting rights :		
Balance as at March 31, 2019	2,68,97,200	2,689.72
Issued during the year*	1,00,00,000	1,000.00
Balance as at March 31, 2020	3,68,97,200	3,689.72
Issued during the year*	1,00,00,000	1,000.00
Balance as on March 31, 2021	4,68,97,200	4,689.72

* Inter corporate deposit converted in to equity share during the year

ii) Rights attached to equity shares:

a) Right to receive dividend as may be approved by the Board / at the Annual General Meeting.

b) The equity shares are not repayable except in the case of a buy back, reduction of capital or winding up in terms of the provision of the Companies Act, 2013.

c) Every member of the Company holding equity shares has a right to attend the General Meeting of the Company and has a right to speak and on a show of hands, has one vote if he is present in person and on a poll shall have the right to vote in proportion to his share of the paid-up capital of the Company.

iii) Details of Equity shares held by the holding company, its subsidiaries and associates:

Particulars	No. of shares
As at March 31, 2020	
Forbes & Company Limited, the Holding company	2,50,00,000
Forbes Campbell Finance Limited, the fellow subsidiary company	1,18,97,195
As at March 31, 2021	
Forbes & Company Limited, the Holding company	2,50,00,000
Forbes Campbell Finance Limited, the fellow subsidiary company	2,18,97,195

iv) Details of Equity shares held by each shareholder holding more than 5% shares:

Particulars	No. of shares held	% of holding
As at March 31, 2020		
Forbes & Company Limited, the Holding company	2,50,00,000	67.76%
Forbes Campbell Finance Limited, the fellow subsidiary company	1,18,97,195	32.24%
As at March 31, 2020		
Forbes & Company Limited, the Holding company	2,50,00,000	53.31%
Forbes Campbell Finance Limited, the fellow subsidiary company	2,18,97,195	46.69%

FORBES TECHNOSYS LIMITED
Statement of changes in equity for the year ended March 31, 2021

A) Equity Share Capital

(Rs. In lakhs)

Particulars	Amount
Balance as at March 31, 2019	**2,689.72**
Changes in equity share capital during the year	1,000.00
Balance as at March 31, 2020	**3,689.72**
Changes in equity share capital during the year	1,000.00
Balance as at March 31, 2021	**4,689.72**

B) Other equity

(Rs. In lakhs)

Particulars	Equity component of compound financial instruments	Retained earnings	Deemed capital contribution	Instruments Entirely Equity in Nature	Other comprehensive income - Remeasurement of defined benefit plans	Total
Balance at March 31, 2019	**1,685.37**	**(8,244.93)**	**228.75**	**6,200.00**	**-**	**(130.81)**
Profit/(Loss) for the year	-	(6,014.92)	-	-	-	(6,014.92)
Other comprehensive income for the year	-	11.03	-	-	-	11.03
Transaction cost relating to issue of equity shares	-	(15.00)	-	-	-	(15.00)
Balance at March 31, 2020	**1,685.37**	**(14,263.82)**	**228.75**	**6,200.00**	**-**	**(6,149.70)**
Balance at March 31, 2020						
Profit/(Loss) for the year from continuing operations	**-**	**(12,316.42)**	**-**	**-**	**-**	(12,316.42)
Profit/(Loss) for the year from from discontinued operation	**-**	**(860.90)**	**-**	**-**	**-**	(860.90)
Other comprehensive income for the year	**-**	**(21.37)**	**-**	**-**	**-**	(21.37)
Balance at March 31, 2021	**1,685.37**	**(27,462.51)**	**228.75**	**6,200.00**	**-**	**(19,348.39)**

The accompanying notes form an integral part of the financial statements.

As per our report of even date
For Batliboi & Purohit
Chartered Accountants
Firm regn No.101048W

Janak Mehta
Partner
Membership No. 116976

Place : Mumbai
Date : June 21, 2021

For and on behalf of the Board of Directors

Mr. Rohit Jayakar
Managing Director

Mr. Jai Mavani
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Mr. Kuppuswamy Subramania_______________
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Ms. Prachi N. Dave
Director

Mr. Vinod Bhandawat
Director

Mr. Sandeep Kadakia _______________________
Chief Financial Officer

Ms. Rupa Khanna
Company Secretary

Place : Mumbai
Date : June 21, 2021

FORBES TECHNOSYS LIMITED
Notes forming part of the financial statements

Note No. 11 - Other Equity **(Rs. In lakhs)**

Particulars	As on March 31, 2021	As on March 31, 2020
a)Equity component of compound financial instruments		
Equity component of 0.1% Cumulative non-convertible preference shares	894.42	894.42
Interest component of Compound Financial instruments reclassified to equity	790.95	790.95
	1,685.37	1,685.37
b) Retained earnings	(27,462.51)	(14,263.82)
b) Other Comprehensive Income - Remeasurement of defined benefit plans		
c) Deemed capital contribution - Financial Guarantee commission	228.75	228.75
d) Instrument entirely equity in nature	6,200.00	6,200.00
Balance at the end of the year	**(19,348.39)**	**(6,149.70)**

Particulars	Amount Rupees
a)Equity component of compound financial instruments	
(i) Equity component of 0.1% Cumulative, non-convertible, redeemable preference shares	
Balance as on March 31, 2019	**894.42**
Add: Addition during the year	-
Balance as on March 31, 2020	**894.42**
Balance as on March 31, 2021	**894.42**
Add: Addition during the year	-
Balance as on Dec 31, 2021	**894.42**
(ii) Interest component of Compound Financial instruments reclassified to equity	
Balance as on March 31, 2019	**790.95**
Add: Addition during the year	-
Balance as on March 31, 2020	**790.95**
Balance as on March 31, 2020	**790.95**
Add: Addition during the year	-
Balance as on Dec 31, 2021	**790.95**
Equity component of compound financial instruments (i+ii)	**1,685.37**
b) Retained earnings	
Balance as on March 31, 2019	**(8,244.93)**
Add : Ind as 115 Opening Adjustment	-
Add: Profit/(Loss) for the year	(6,014.92)
Add: Transfer from Other Comprehensive Income	-
Add: Other Comprehensive income - Remeasurement of defined benefit plans	11.03
Less: Transaction cost relating to issue of equity shares	15.00
Balance as on March 31, 2020	**(14,263.82)**
Balance as on March 31, 2020	**(14,263.82)**
Add: Profit/(Loss) for the year from continuing operations	(12,316.42)
Add: Profit/(Loss) for the year from from discontinued operation	(860.90)
Add: Transfer from Other Comprehensive Income	-
Add: Other Comprehensive income - Remeasurement of defined benefit plans	(21.37)
Less: Transaction cost relating to issue of equity shares	-
Balance as on March 31, 2021	**(27,462.51)**
c) Deemed capital contribution - Financial Guarantee commission	
Balance as on March 31, 2019	**228.75**
Add: Accrued during the year	-
Balance as on March 31, 2020	**228.75**
Balance as on March 31, 2020	**228.75**
Add: Accrued during the year	-
Balance as on March 31, 2021	**228.75**
d) Instrument entirely equity in nature	
Balance as on March 31, 2019	**6,200.00**
Add: Issued during the year	-
Balance as on June 30, 2019	**6,200.00**
Balance as on March 31, 2020	**6,200.00**
Add: Issued during the year	-
Balance as on March 31, 2020	**6,200.00**

FORBES TECHNOSYS LIMITED
Notes forming part of the financial statements

Note No. 12 - Borrowings - Non- Current **(Rs. In lakhs)**

Particulars	As on March 31, 2021	As on March 31, 2020
a) Debentures - Unsecured (at amortised cost)		
i) Forbes Technosys Ltd, 9.90% 2020 (350 of face value of Rs. 10,00,000/- each)	1,166.67	-
(Refer note no. 12.1 below)		
b) Working capital Term loans - Secured (at amortised cost)		
From Banks:		
i) Axis Bank Ltd (Refer note no. 12.2 below)	277.00	-
II) DCB bank (Refer note no. 12.3 below)	604.67	-
c) Term loans - Unsecured (at amortised cost)		
From Banks:		
Yes Bank (Refer note no. 12.4 below)	247.59	450.00
Yes Bank (Funded Interest Term Loan- FITL) (Refer note no. 12.4 below)	10.21	-
d) Corporate loan - Secured (at amortised cost)		
From Banks:		
DCB bank (Refer note no. 12.5 below)	37.00	-
e) Liability Component of Compound Financial Instrument		
i) Preference Share Capital (Refer note no. 12.6 below)	362.61	323.76
Total	**2,705.75**	**773.76**

During the month of October 2020, owing to the financial difficulties arising from operational losses, the Company had made an application to its bankers/debenture-holders for invoking 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 August 06, 2020 for outstanding term loans, cash credit, debentures and other non-funds based facilities.

Consequently, the debentures of Rs. 3,500 lakhs, due for redemption on October 18, 2020, were not redeemed by the Company as the same were part of the OTR process mentioned above.

The aforesaid restructuring process was implemented during the month of March 21 and April 2021 with respective lenders and as a result, the repayment of term loans and debentures were deferred to begin from June 30, 2021 and are payable in 6 equal quarterly instalments. Limits of certain cash credit facilities were reduced and new working capital facilities were granted.

The terms of repayment and security information of loans and other debt instruments

12.1) i) Debentures are Unsecured, Redeemable and Non Convertible
ii) Date of allotment of Debentures : October 18, 2017.
iii) Revised maturity of Debentures - 6 equal quarterly instalments beginning from June 30, 2021.
iv) The debentures carry interest @ 9.90% p.a payable on quarterly basis. Interest rate has been revised at 10.40% p.a w.e.f July 18, 2019
v) The debentures are backed by Corporate Guarantee of Forbes & Company Limited, Holding company

12.2) Working capital loan from Axsi bank carries interest of 1 Year MCL + 2.95% and is repayable in six equal quarterly instalment beginning from June 30, 2021.

12.3) Working capital loan from DCB bank carries interest of 1 Year MCL + 1.07% and is repayable in six equal quarterly instalment beginning from June 30, 2021.

12.4) Term loan from Yes bank (including FITL term loan interest): The interest rate on the loan is in the range of 10.90% to 11.55% per annum (as at March 31, 2020 : 11.55%). The loan is backed by an unconditional and irrevocable Corporate Guarantee of Forbes & Company Limited. Repayable in six equal quarterly instalment beginning from June 30, 2021

12.5) Corporate loan from DCB bank: The interest rate on the loan is in the range of 10.03% to 11.50% per annum (as at March 31,2020: 11.50%).Repayable in six equal quarterly instalment beginning from June 30, 2021

12.6) 0.1% Cumulative Non Convertible Redeemable Participating Preference Shares were issued in 2010-11 for a tenure of 20 years with cumulative dividend of 0.1% per annum.(refer note 33 for details of preference share capital)

12.7) 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) of the company and are backed by 1st Pari-passu charge on property owned by Forbes & Co. Ltd situated at Wagle Estate Thane and corporate guarantee of Forbes & Co. Ltd.

FORBES TECHNOSYS LIMITED
Notes forming part of the financial statements

Note No. 13 - Provisions **(Rs. In lakhs)**

Particulars	As on March 31, 2021	As on March 31, 2020
Non-current		
a) Provision for employee benefits		
i) Gratuity (Refer note 26)	76.15	98.42
ii) Compensated absences	54.25	76.92
b) Other provisions		
i) Assurance Warranty (Refer note below)	9.56	13.02
Total	**139.96**	**188.36**
Current		
a) Provision for employee benefits		
i) Gratuity (see note 26)	19.24	22.92
ii) Compensated absences	14.94	24.01
b) Other provisions		
i) Assurance Warranty (Refer note below)	22.31	30.37
Total	**56.49**	**77.30**

Note : Movement of warranties

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

(Rs. In lakhs)

Particulars	Amount
Balance as on March 31, 2019	**56.70**
Additional provisions recognised	43.39
Reduction arising from utilisation/reversal during the year	(56.70)
Balance as on March 31, 2020	**43.39**
Additional provisions recognised	31.87
Reduction arising from utilisation/reversal during the year	(43.39)
Balance as on March 31, 2021	**31.87**

Note No. 14 - Borrowings- Current **(Rs. In lakhs)**

Particulars	As on March 31, 2021	As on March 31, 2020
a) Unsecured at amortised cost:		
Repayable on demand		
i) Inter corporate depsoits (ICD) from related parties (refer note (i) to (iv) below	11,188.22	7,954.31
	11,188.22	**7,954.31**
b) Secured at amortised cost: (Refer Note (v) below)		
Repayable on demand		
i) Cash credit from Development Credit Bank Limited.	158.88	2,470.50
ii) Cash credit from Axis Bank Limited.	275.43	2,204.55
	434.31	**4,675.05**
TOTAL	**11,622.53**	**12,629.36**

Notes:

(i) Fixed rate ICD from Shapoorji Pallonji Dev Managers Pvt.Ltd(formerly Lucrative Properties Pvt.Ltd.) repayable on demand. The effective rate of interest is 15.0% p.a (as on March 31, 2020 is 12.50% p.a)

(ii) Fixed rate ICD from Forbes & Company Limited repayable on demand. The effective rate of interest is 11.00% p.a (as on March 31, 2020 is 10.80% p.a.)

(iiI) Fixed rate ICD from Shapoorji Pallonji & Company Pvt Ltd repayable on demand. The rate of interest is 11.50% p.a (as on March 31, 2020 is 11.50%)

(iv) Fixed rate ICD from Forbes Campbell Finance Ltd repayable on demand. The rate of interest is 11.75% p.a. (as on March 31,2020 is 11.75%)

(v) Cash credit from Axis Bank and Development Credit Bank are secured by Pari Passu hypothecation charge on all inventory and trade receivables of the Company. Both Cash credit are backed by Corporate Guarantee of Forbes & Company Limited. Interest rate on Axis Bank 3M MCLR +2.95% and DCB Bank One year MCLR +1.07%

FORBES TECHNOSYS LIMITED
Notes forming part of the financial statements

Note No. 15 - Trade Payables **(Rs. In lakhs)**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Current		
a) Total outstanding dues of Micro enterprises and small enterprises (Refer Note 28)	884.84	532.00
b) Total outstanding dues of creditors other than Micro enterprises and small enterprises	2,216.00	2,415.75
Total	**3,100.84**	**2,947.75**

Note No.16 - Other financial liabilities **(Rs. In lakhs)**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Current		
a) Current maturities of long-term borrowings		
- Secured Loans	1,835.33	333.32
- Unsecured Loans	515.60	450.00
- NCD- Forbes Technosys Ltd, 9.90% 2020	2,333.33	3,493.11
b) Interest accrued but not due	13.64	81.63
c) Security Deposits	32.60	58.95
	4,730.50	**4,417.01**

Note No. 17 - Other liabilities **(Rs. In lakhs)**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Current		
A) Contract Liabilities		
a) Customers Credit Balances	588.90	501.23
b) Income received in advance (Unearned revenue)	9.82	308.90
B) Payables to statutory authorities	28.65	49.31
Total	**627.37**	**859.44**

FORBES TECHNOSYS LIMITED
Notes forming part of the financial statements

Note No. 18 - Revenue from operations **(Rs. In lakhs)**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
A) Revenue from contracts from customers		
a) Sale of goods		
i) Manufactured goods		
Kiosks & software	939.37	1,777.74
ii) Traded goods		
Business Automation Products	267.83	929.55
	1,207.20	**2,707.29**
b) Sale of services		
i) Annual maintenance and support services charges	1,409.17	2,144.93
ii) Transaction charges	177.95	249.25
	1,587.12	**2,394.18**
B) Other operating revenues		
Lease Income	34.34	58.16
	34.34	**58.16**
Total	**2,828.66**	**5,159.63**

18.1 No adjustments were re4quired to be made to Contract Prices in respect of discounts, rebates, refunds etc. during the year.

Note No. 19 - Other income **(Rs. In lakhs)**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
a) Interest income		
i) on fixed deposit with banks	4.96	5.81
ii) on Income Tax refund	36.83	-
b) Liabilities / provisions no longer required written back	18.81	127.36
c) Miscellaneous income	3.85	3.23
Total	**64.45**	**136.40**

FORBES TECHNOSYS LIMITED
Notes forming part of the financial statements

Note No. 20.1 Cost of materials consumed **(Rs. In lakhs)**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening stock of raw materials and components	683.55	822.57
Add: Purchases	828.17	636.41
	1,511.72	1,458.98
Less: Closing stock of raw materials and components	540.24	683.55
Total	**971.48**	**775.43**

Note No. 20.2 Purchases of stock-in-trade (traded goods) **(Rs. In lakhs)**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Note Counting Machine	-	0.74
Electronic Cash Register	-	0.01
Point of Sale Machine	-	34.60
Scanner	56.72	51.44
Others	51.92	340.90
Total	**108.64**	**427.69**

Note No. 20.3 Changes in inventories of finished goods and stock-in-trade (traded goods) **(Rs. In lakhs)**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
a) Inventories at the beginning of the year:		
i) Finished goods	83.86	1,002.38
ii) Stock-in-trade (traded goods)	1,819.65	1,919.24
	1,903.51	**2,921.62**
b) Inventories at the end of the year:		
i) Finished goods	162.79	83.86
ii) Stock-in-trade (traded goods)	1,070.68	1,819.65
	1,233.47	**1,903.51**
Net increase	**670.04**	**1,018.11**

Note No. 21 - Employee benefits expense (Rs. In lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
a) Salaries and wages	1,046.48	1,230.13
b) Contribution to provident and other funds	46.47	49.75
c) Gratuity expense (Refer note no. 26)	18.56	25.99
d) Staff welfare expense	1.86	20.49
	1,113.37	1,326.36
Less: Allocated to discontinued operations	56.07	118.90
Total	**1,057.30**	**1,207.46**

Note No. 22 - Finance costs (Rs. In lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
a) Interest expense on:		
i) Debentures	370.89	646.18
ii) Term loans	124.62	217.26
iii) Cash credits and working capital loans	446.20	510.89
iv) Loans from related parties	860.87	417.48
v) Others	79.62	86.75
vi) Interest on MSME	25.75	28.01
	1,907.95	1,906.57
Less: Amount included in the cost of qualifying asset	-	(221.99)
	1,907.95	1,684.58
b) Other borrowing costs	25.95	24.73
Total	**1,933.90**	**1,709.31**

FORBES TECHNOSYS LIMITED
Notes forming part of the financial statements

Note No. 23.1 - Depreciation and amortisation (Rs. In lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation on Property plant and equipment	30.86	139.19
Amortisation on intangible assets	1,869.95	1,103.46
Amortisation of ROU assets	78.32	84.00
	1,979.13	1,326.65
Less:		
Capitalisation of amortisation of ROU assets	-	(16.20)
	1,979.13	1,310.45

Note No. 23.2 - Other expenses **(Rs. In lakhs)**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Managed assets service provider's charges	145.98	521.18
Contract labour charges	689.12	856.57
CHI Charges	17.19	19.19
Deferred contract expenses amortised	78.05	-
Power and fuel	28.11	21.11
Rent including lease rentals	24.53	21.86
Repairs and maintenance - Buildings	2.48	2.54
Repairs and maintenance - Others	1.25	9.19
Insurance	30.76	40.69
Communication	58.69	34.42
Travelling and conveyance	47.43	150.27
Printing and stationery	4.98	19.53
Warranty and AMC expenses (Refer note no. 13)	55.96	525.54
Freight and forwarding	78.56	203.10
Service charges	67.56	99.40
Strategic Support Service Charges	11.62	46.46
Legal and professional	33.01	162.55
Payments to the auditor (Net of Taxes)	-	
i) Audit fees	4.51	10.00
ii) Tax audit fees	2.00	3.00
iii) Limited Review	5.50	4.00
iv) For reimbursement of expenses	0.04	0.42
Foreign exchange loss (Net)	6.14	12.89
Loans and advances written off	0.81	69.04
Bad debts written off	-	-
Provision for trade receivables (net)	453.95	1,066.72
Provision for Doubtful Advances	42.88	-
Loss on disposal/Write off of assets	-	34.86
Miscellaneous expenses	41.34	81.78
Total	**1,932.45**	**4,016.31**

FORBES TECHNOSYS LIMITED
Notes forming part of the financial statements

29 Related Party Transactions

(a) **Details of related parties:**

Description of relationship	Names of related parties
Ultimate holding company	Shapoorji Pallonji & Company Pvt Ltd (erstwhile Shapoorji Pallonji & Company Ltd)
Holding company (w.e.f 10th March 2016)	Forbes & Company Limited
Fellow Subsidiary (w.e.f 10th March 2016)	Forbes Campbell Finance Limited
Fellow Subsidiary	Eureka Forbes Limited
Fellow Subsidiary	Shapoorji Pallonji Dev Managers Pvt.Ltd (formerly Lucrative Properties Pvt.Ltd.)
Fellow Subsidiary	Volkart Fleming Shipping & Services Limited
Fellow Subsidiary	Forvol International Services Limited
Fellow Subsidiary	Shapoorji Pallonji Finance Private Limited
Key Management Personnel	Mr. Vinayak Prasad, Managing Director (up to January 31,2021)
	Mr.Rohit Jayakar, Managing Director (w.e.f. March 16, 2021
Director	Mr. Pallon Mistry, Non-Executive Director (up to August 28, 2019)
Director	Mr. Subramania Iyer Kuppuswamy, Non-Executive Director
Director	Mr. Eddie Poonawala
Director	Ms. Prachi Dave
Director	Mr. Vinod Bhandawat (w.e.f. October 14, 2019)
Director	Mr. Jai Mavani, Non-Executive Director

(b) **Details of related party transactions during the half year ended December 31, 2020:**

Name of Related Party	Nature of Transactions	As at March 31, 2021	As at March 31, 2020
Shapoorji Pallonji & Company Pvt Ltd (erstwhile Shapoorji Pallonji & Company Ltd)	Services rendered	-	511.35
	Interest paid / provided	707.60	356.55
	Strategic Support Services	7.08	46.46
	Loan taken	200.00	3,850.00
	Repayment of Loan taken	-	-
	Interest on Liability Component of Compound Financial Instruments	38.85	34.78
Forbes & Company Limited	Service charges	25.20	27.00
	Services received	54.00	54.00
	Interest paid / provided	110.84	32.08
	Deposits taken	3,197.50	2,262.00
	Repayment of ICD	125.00	2,002.00
	Reimbursement of expenses	0.59	0.58
	ICD received and converted to Equity Share	-	1,000.00
	Financial Guarantee Commission	47.44	71.88
Eureka Forbes Limited	Service charges	0.04	0.19
Forbes Campbell Finance Ltd	Interest paid / provided	3.22	3.85
	Interest on debentures	-	70.93
	ICD taken	-	1,000.00
	ICD converted to Equity Share	1,000.00	-
	Payment on redemption of Debentures	-	2,500.00
Shapoorji Pallonji Dev Managers Pvt.Ltd (formerly Lucrative Properties Pvt.Ltd.)	Interest paid / provided	29.59	25.00
Forvol International Services Limited	Service charges	0.85	3.64
Volkart Fleming Shipping and Services Limited	Interest paid / provided	9.61	-
	Deposits taken	153.00	-
	Repayment of Deposits		
Shapoorji Pallonji Finance Private Limited	Interest paid / provided (on delayed payment of bills discounted by the vendors of the company)	4.38	3.33

Mr. Vinayak Prasad, Managing Director (Appointed w.e.f. December 01, 2018 up to January 31, 2021)	Remuneration paid / payable Reimbursement of expenses	131.30 0.71	211.75 2.97
Mr. Rohit Jayakar, Managing director (Appointed w.e.f March 16, 2021)	Remuneration paid / payable	0.61	-
Mr. Pallon Mistry	Sitting Fees paid	-	0.20
Mr. Subramania Iyer Kuppuswamy	Sitting Fees paid	-	0.20
Mr. Eddie Poonawala	Sitting Fees paid	2.60	2.20
Ms. Prachi Dave	Sitting Fees paid	2.20	1.60
Mr. Jai Mavani	Sitting Fees paid	-	0.20
Mr. Vinod Bhandawat	Sitting Fees paid	-	0.20

(c) **Details of related party balances outstanding as at March 31, 2021**

Name of Related Party	Nature of Balances	As at March 31, 2021	As at March 31, 2020
Shapoorji Pallonji & Company Pvt Ltd (erstwhile Shapoorji Pallonji & Company Ltd)	Trade payables Deposits payable Trade receivables Preference Shares Classified as Compound Interest Accrued on Debt Component of Interest accrued	108.23 6,175.00 0.30 1,000.00 240.00 1,067.52	100.41 5,975.00 23.42 1,000.00 201.15 400.68
Forbes & Company Limited	Trade payables Deposits payable Corporate Guarantee given to Banks for Preference Shares Classified as Equity Interest accrued	328.57 3,332.50 8,488.72 6,000.00 126.78	187.94 260.00 12,962.00 6,000.00 24.31
Eureka Forbes Limited	Trade payables	1.52	1.47
Forbes Campbell Finance Ltd	Interest accrued ICD payable Corporate Guarantee given to Banks for	6.36 - 150.00	3.47 1,000.00 150.00
Shapoorji Pallonji Dev Managers Pvt.Ltd	Interest accrued Loan payable	118.17 200.00	90.85 200.00
Forvol International Services Limited	Trade payables	0.63	1.17
Volkart Fleming Shipping & Services Limited	Preference Shares Classified as Equity Deposits payable Interest accrued	- 153.00 8.89	200.00
Mr. Ajay P. Singh, Executive Director	Remuneration and Reimbursement of	26.28	26.28
Mr. Vinayak Prasad, Managing Director	Remuneration and Reimbursement of	28.69	0.01
Mr.Rohit Jayakar, Managing Director	Remuneration and Reimbursement of	0.40	-

FORBES TECHNOSYS LIMITED
Notes forming part of the financial statements

Note No. 24 - Segment information

24.1 Products and Services from which reportable segments derive their revenues

Information reported to the chief operating decision maker (CODM) for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. In respect of sale of goods, the information is further analysed as Trading Segment and Manufacturing Segment and in respect of sale of services as Forbes Xpress Segment and Transaction Network and Support Service Segment. Trading segment includes the sales of Currency Note Counting Machine, Electronic Cash Register, Point of Sale Machine etc. Manufacturing segment includes the sale of different types of Kiosks. Forbes Xpress Segment includes the sale of Mobile Recharge, Bill Payments and Money Transfer. Transaction network and services comprises maintenance, servicing, transaction charges, support services for kiosks and other devices. No operating segments have been aggregated in arriving at the reportable segments of the company.

Segment revenue, segment results, segment assets and segment liabilities include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis

24.2 Segment revenues and results

The following is an analysis of the Company revenue and results from continuing operations by reportable segment.

(Rs. In lakhs)

Particulars	Segment revenue		Segment profit	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Continuing operations				
1) Trading	267.83	929.55	(629.59)	241.30
2) Manufacturing	939.37	1,777.74	(920.70)	(778.72)
3) Transaction network and support services	1,621.46	2,452.34	577.68	(296.64)
Discontinued operations				
4) Forbes Xpress	872.87	2,378.60	(860.91)	(324.58)
Total for continuing operations	**3,701.53**	**7,538.23**	**(1,833.52)**	**(1,158.64)**
Unallocated				
Other income			64.44	136.40
Finance costs			(1,933.89)	(1,709.30)
Central administration costs and managerial remuneration			(9,474.35)	(3,283.43)
Profit / (Loss) before tax(continuing operations)			**(13,177.32)**	**(6,014.97)**

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in current year (2020-21: Nil)

The accounting policies of the reportable segments are the same as the Company accounting policies described in note 2. Segment profit/(loss) represents the profit/(loss) before tax earned by each segment without allocation of central administration costs and director salaries, other income, as well as finance costs. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

24.3 Segments assets and liabilities

(Rs. In lakhs)

Segment assets	As at March 31, 2021	As at March 31, 2020
Continuing operations		
1) Trading	1,727.31	2,595.55
2) Manufacturing	3,059.59	6,637.48
3) Transaction network and support services	2,753.49	4,023.29
Discontinued operations		
4) Forbes Xpress	31.24	2,669.39
Total Segment assets	**7,571.63**	**15,925.71**
Unallocated corporate assets	847.74	3,678.76
Total assets	**8,419.37**	**19,604.47**

(Rs. In lakhs)

Segment liabilities	**As at March 31, 2021**	**As at March 31, 2020**
Continuing operations		
Trading	729.51	616.86
Manufacturing	831.93	1,414.48
Transaction network and support services	435.56	745.32
Discontinued operations		
Forbes Xpress	142.62	278.03
Total Segment liabilities	**2,139.62**	**3,054.69**
Unallocated corporate liabilities	20,938.43	19,009.76
Total liabilities	**23,078.05**	**22,064.45**

For the purpose of monitoring segment performance and allocating resources between segments, segments liabilities and assets have been allocated to segments on the basis of their relationship to the operating activities of the segments, other than Borrowings, Interest accrued thereon, Provision for Employee Benefits, Deposits with Banks, Interest Accrued thereon, Prepaid Expenses, Cash and Cash Equivalents and Advance Income Tax.

24.4 Other segment information

(Rs. In lakhs)

Particulars	Depreciation and amortisation		Additions to non-current assets	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Continuing operations				
Trading	0.28	0.45	-	-
Manufacturing	726.83	193.41	-	-
Transaction network and support services	498.09	927.90	-	309.98
Discontinued operations				48.58
Forbes Xpress	17.16	104.50	-	97.38
Sub Total	**1,242.36**	**1,226.26**	**-**	**455.94**
Unallocated	753.93	188.70	64.24	132.79
Total	**1,996.29**	**1,414.96**	**64.24**	**588.73**

24.5 Revenue from major products and services

The following is an analysis of the Company revenue from major products and services.

(Rs. In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Continuing operations		
Trading - Scanner	20.05	118.19
Trading - Other	247.77	811.36
Manufacturing - Kiosk & software	939.37	1,777.74
Annual maintenance and support services charges	1,409.17	2,144.93
Transaction charges & lease income	212.29	307.41
Total	**2,828.65**	**5,159.63**
Discontinued operations		
Forbes Xpress (Mobile recharge and commission)	872.87	2,378.60
Total	**3,701.52**	**7,538.23**

24.6 Information about Major Customers

Two customers individually contributed 10% or more to the company's revenue from continuing operations in current year.

FORBES TECHNOSYS LIMITED
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Note No. 25 - Earnings per Share

(Rs. In lakhs)

Particulars	As on March 31, 2021	As on March 31, 2020
1) i) Profit / (Loss) for the year from continuing operations attributable to Owners for Basic earnings	(12,316.42)	(6,014.96)
ii) Effect of dilution on Profit/ (Loss) for the year.	-	-
iii) Profit / (Loss) for the year adjusted after effect of dilution	(12,316.42)	(6,014.96)
1) i) Profit / (Loss) for the year from discontinued operations attributable to Owners for Basic earnings	(860.91)	(324.58)
ii) Effect of dilution on Profit/ (Loss) for the year.		
iii) Profit / (Loss) for the year adjusted after effect of dilution		
2) i) Weighted average number of equity shares for the purposes of basic earnings per share (in lakhs)	466.51	286.46
ii) Effect of dilution on weighted average number of equity shares (in lakhs)	-	-
iii) Weighted average number of equity shares for the purposes of diluted earnings per share (in lakhs)	466.51	286.46
3) Par value per share	10.00	10.00
Continuing operation		
Basic earnings per share	(26.40)	(21.00)
Diluted earning per share	(26.40)	(21.00)
Discontinued operations		
Basic earnings per share	(0.54)	(0.88)
Diluted earning per share	(0.54)	(0.88)

Diluted earnings per share
The diluted earnings per share has been computed by dividing the Net profit after tax available for Equity shareholders by the weighted average number of equity shares. In the current year since, the effect of the conversion of Preference shares was anti-dilutive, it has been ignored.

26. Employee benefit plans
26.1 Defined Contribution plans
The Company makes contributions to Provident Fund (including NPS) and Employees State Insurance which is defined contribution plan for qualifying employees. Under the Scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes. The Company has recognised the following amount in the statement of profit and loss under the head "Employee Benefit Expense".

(Rs. In lakhs)

Particulars	As on March 31, 2021	As on March 31, 2020
Contributions to provident fund (including NPS)	46.47	49.24
Contributions to Employees State Insurance	0.26	0.51

26. 2 Defined benefit plans
The Company offers Gratuity (included as part of Gratuity expense in Note 21 Employee benefits expense) as employee benefit scheme to its employees. The Company's Gratuity scheme is unfunded.

The following table sets out the unfunded status of the defined benefit schemes and the amount recognised in the financial statements:

(Rs. In lakhs)

Particulars	As on March 31, 2021	As on March 31, 2020
Expenses recognised in Statement of Profit and Loss		
Current service cost	11.57	14.15
Interest cost	6.99	11.83
Past Service Cost and (gain)/loss from settlements	-	-
Actuarial (gains) / losses	21.37	(11.03)
Total expense	**39.92**	**14.96**
Actual benefit payments for year		
Actual benefit payments	65.87	63.76

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

(Rs. In lakhs)

Particulars	Valuation as at	
	March 31, 2021	March 31, 2020
Discount rate(s)	5.58%	5.76%
Expected rate(s) of salary increase	5.00%	7.00%
Attrition	20.00%	20.00%
Retirement age	60 Yrs	60 Yrs
Mortality tables	India Assured Lives Mortality (2006-08)	India Assured Lives Mortality (2006-08)

Notes:
a) The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.
b) The estimate of future salary increase considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.
c) The above information is as certified by the actuary and relied upon by the auditors.

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Amounts recognised in statement of profit and loss in respect of these defined benefits plans are as follows:

(Rs. In lakhs)

Particulars	March 31, 2021	March 31, 2020
Service Cost		
Current Service Cost	11.57	14.15
Past Service Cost and (gain)/loss from settlements	-	-
Net Interest expense	6.99	11.83
Components of defined benefit costs recognised in the Statement of Profit and Loss	**18.56**	**25.99**
Actuarial (Gains)/losses arising from changes in financial assumptions	(6.27)	5.15
Actuarial (Gains)/losses arising from experience assumptions	27.64	(16.18)
Components of defined benefit costs recognised in other comprehensive income	**21.37**	**(11.03)**
Total	**39.92**	**14.96**

The current service cost and the net interest expense for the year are included in the "Employee benefits expense" line item in the statement of profit and loss.The premeasurement of the net defined liability is included in other comprehensive

(Rs. In lakhs)

Particulars	As on March 31, 2021	As on March 31, 2020
Opening defined benefit obligations	121.33	170.14
Current service cost	11.57	14.15
Interest Cost	6.99	11.83
Past Service Cost and (gain)/loss from settlements	-	-
Actuarial (Gains)/losses arising from changes in financial assumptions	(6.27)	5.15
Actuarial (Gains)/losses arising from experience assumptions	27.64	(16.18)
Benefits paid	(65.87)	(63.76)
Closing defined benefit obligation	**95.39**	**121.33**

26.3 Mortality

It is assumed that the active members of the scheme will experience in-service mortality in accordance with the Indian Assured Lives Mortality (2006-08).

26.4 Experience adjustments (Rs. In lakhs)

Particulars	Amount
As on March 31, 2021	
Opening Net Liability	121.33
Expense as above	18.56
Amount Recognised in Balance Sheet	95.39
Experience gain / (loss) adjustments on plan liabilities	(21.37)
As on March 31, 2020	
Opening Net Liability	170.14
Expense as above	25.99
Amount Recognised in Balance Sheet	121.33
Experience gain / (loss) adjustments on plan liabilities	11.03

26.5 Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and employee turnover. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

(Rs. In lakhs)

Particulars	As on March 31, 2021	As on March 31, 2020
Projected Benefit Obligation on Current Assumptions	95.39	121.33
Delta Effect of +1% Change in Rate of Discounting	(3.12)	(4.32)
Delta Effect of +1% Change in Rate of Discounting	3.38	4.70
Delta Effect of +1% Change in Rate of Salary Increase	3.36	4.60
Delta Effect of +1% Change in Rate of Salary Increase	(3.17)	(4.32)
Delta Effect of +1% Change in Rate of Employee Turnover	0.03	(0.41)
Delta Effect of -1% Change in Rate of Employee Turnover	(0.04)	0.43

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

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27. Financial Instruments
27.1 Capital Management
The company manages its capital to ensure that the company will be able to continue as a going concern while maximising the return to stakeholder through the optimisation of the debt and equity balance.
The capital structure of the company consists of net debt (borrowings as detailed in notes 12 and 16) and total equity of the company (equity as detailed in Note 10 and 11).

The Company's Board of directors and KMP review the capital structure of the company on an annual basis. As part of the review, the committee considers the cost of capital and the risks associated with each class of capital. The gearing ratio at March 31, 2020 is negative 2.05 (see below) and the company wishes to improve the ratio over the period of time.

27.1.1 Debt-Equity Ratio
The Debt-Equity ratio at the end of the reporting period was as follows: **(Rs. In lakhs)**

Particulars	As on March 31, 2021	As on March 31, 2020
Paid-up debt capital (Refer Note (i) Below)	7,390.01	5,050.20
Equity (Refer Note (ii) Below)	(14,658.67)	(2,459.98)
Net debt to equity ratio	(0.50)	(2.05)

Notes:
(i) Debt is defined as Long-term borrowings and Current maturities of long term borrowings (Refer note 12 and 16)
(ii) Equity is defined as Equity Share Capital and Other Equity (Refer note 10 and 11)

27.2 Categories of financial instruments **(Rs. In lakhs)**

Particulars	As on March 31, 2021	As on March 31, 2020
	Rupees	**Rupees**
Financial Assets		
(a) Cash and bank balances	100.11	193.80
(b) Other financial assets at amortised cost		
(i) Other Financial assets	131.84	206.22
(ii) Trade receivables	4,022.95	4,218.17
Total	**4,254.90**	**4,618.19**

Measured at Amortised cost		
(i) Other Financial liabilities	4,730.50	4,417.01
(ii) Borrowings	14,328.26	13,403.12
(iii) Trade Payables	3,100.83	2,947.74
Total	**22,159.59**	**20,767.87**

27.3 Financial Risk Management Objectives
The Company sells goods and provides services to the business in domestic markets and procures goods and services from domestic as well as international markets. The Management monitors and manages the financial risks relating to the operations of the company by analysing exposures by degree and magnitude of risks. These risks include market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

27.4 Market Risk
The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates (see note 27.5 below) and interest rates (see note 27.6 below).

27.5 Foreign currency risk management

(Rs. In lakhs)

Currencies	March 31, 2021		March 31, 2020	
	Trade payables		Trade payables	
	Foreign Currency	Rupees	Foreign Currency	Rupees
USD	-	-	0.72	54.27

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27.5.1 Foreign Currency Sensitivity Analysis
The company is mainly exposed to USD. The following table details the Group's sensitivity to a 5% increase and decrease in the Rupees against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items (Trade Receivables and Trade Payables) and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number below indicates an increase in profit or equity where the Rupee strengthens 5% against the relevant currency. For a 5% weakening of the Rupee against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

March 31, 2021 (Rs. In lakhs)

Currencies	Increase/ Decrease	Total Liabilities in Foreign Currency	Change in Exchange rate	Impact on Profit or (Loss) for the Year
USD	Increase by 5%	-	-	-
USD	Decrease by 5%	-	-	-

March 31, 2020 (Rs. In lakhs)

Currencies	Increase/ Decrease	Total Liabilities in Foreign Currency	Change in Exchange rate	Impact on Profit or (Loss) for the Year
USD	Increase by 5%	0.72	3.77	(2.71)
USD	Decrease by 5%	0.72	(3.77)	2.71

27.6 Interest rate risk management
The Company is exposed to interest rate risk because entities borrow funds at both fixed and floating interest rates. The risk is managed by the company by maintaining an appropriate mix between fixed and floating rate borrowings.

The Company's exposure to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management (refer note 27.8) section.

27.6.1 Interest rate sensitivity analysis
The sensitivity analysis below has been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the company's Profit for the year ended March 31, 2021 would increase/decrease by Rs. 31.53 Lakhs (for the year ended March 31, 2020: increase/decrease By Rs. 33.95 Lakhs). This is mainly attributable to the company's exposure to interest rate on its variable rate borrowings.

27.7 Financial risk management objectives
The Company activities expose it to financial risk- credit risk and liquidity risk . In order to manage the aforementioned risk the company operates the risk management policy.

The Company function reports quarterly to the Group's risk management committee, an independent body that monitors risks and policies implemented to mitigate risk exposures.

27.7.1 Credit risk management
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. The company only transacts with entities that are assessed as creditworthy.

Trade receivables consists of a large number of customers, spread across diverse industries. Ongoing credit evaluation is performed on the financial condition of accounts receivable. Refer 8 for credit evaluation process and provision for expected credit loss.

27.7.2 Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the company's short-term, medium - term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate banking facilities, obtaining inter-corporate deposits and capital contribution from its Holding Company, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. Note 27.8.2 below sets out details of additional undrawn facilities that the company has at its disposal to further reduce liquidity risk.

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27.7.3 Liquidity and interest risk tables

Expected maturity for Non-derivative financial liability other than lease liabilities

The following table details the company's remaining contractual maturity for the non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flow of financial liabilities based on the earliest date on which the company may be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the company may be required to pay.

(Rs. In lakhs)

Particulars	Interest Rate	Less than 1 year	1-5 years	5 + years	Total
March 31, 2020					
Non-interest bearing					
Trade payables		3,100.83			
Security deposits		32.60			
Variable interest rate instruments					
Yes bank -Term Loan	10.90% - 11.55%	495.18	247.59		
Yes bank -FITL Loan	9.06% - 11.37%	20.41	10.21		
DCB bank - Term Loan	10.03% - 11.50%	1,209.33	604.67		
DCB bank - Working capital Term Loan	One year MCLR +1.07%	74.00	37.00		
Axis bank Working capital Term loan	One year MCLR +2.95%	552.00	277.00		
Axis -Cash Credit	3 Month MCLR +2.95%	275.43	-		
DCB -Cash Credit	One year MCLR +1.07%	158.88	-		
Fixed interest rate instruments					
Debenture - Axis Bank	10.40%	1,166.67	2,333.33		
Loans from related parties - I					
Shapoorji Pallonji Dev Managers Pvt.Ltd (formerly Lucrative Properties Pvt.Ltd.)	15.00%	318.17			
Forbes & Company	11.00%	3,459.28			
Shapoorji Pallonji and Co. Pvt. Ltd.	11.50%	7,242.52			
Forbes Campbell Finance Ltd	11.75%	3,459.28			
Volkart Fleming Shipping and Services Limited	11.00%	162.61			
March 31, 2020					
Non-interest bearing					
Trade payables		2,947.74	-	-	**2,947.74**
Security deposits		58.95	-	-	**58.95**
Variable interest rate instruments					
Yes bank -Term Loan	10.85% - 11.55%	458.83	450.00	-	**908.83**
DCB bank - Working Capital Loan	10.23% - 10.90%	333.32	-	-	**333.32**
Axis -Cash Credit	10.20% - 10.95%	2,204.55	-	-	**2,204.55**
DCB -Cash Credit	10.24% - 10.74%	2,470.50	-	-	**2,470.50**
Fixed interest rate instruments					
Debenture - Axis Bank	9.9%-10.40%	3,565.91	-	-	**3,565.91**
Loans from related parties - I					**-**
Shapoorji Pallonji Dev Managers Pvt.Ltd (formerly Lucrative Properties Pvt.Ltd.)	12.50%	290.85	-	-	**290.85**
Forbes & Company	10.80%	284.31	-	-	**284.31**
Shapoorji Pallonji and Co. Pvt. Ltd.	11.50%	6,375.68	-	-	**6,375.68**
Forbes Campbell Finance Ltd	11.75%	1,003.47	-	-	**1,003.47**

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Expected maturity for Non-derivative financial assets

The following table details the company expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial asset is necessary in order to understand the company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

(Rs. In lakhs)

Particulars	Interest rate	Less than 1 year	1-5 years	5 + years	Total
March 31, 2021					
Non-interest bearing					
Trade receivables		4,022.94	-	-	**4,022.94**
Cash and cash equivalents		37.60	-	-	**37.60**
Security deposits		25.87	-	-	**25.87**
Earnest money deposits		88.91	-	-	**88.91**
Fixed interest rate instruments					
Deposits with bank	6.25% -8.80%	62.51	59.04	-	**121.55**

Particulars	Interest rate	Less than 1 year	1-5 years	5 + years	Total
March 31, 2020					
Non-interest bearing					
Trade receivables		4,218.16	-	-	**4,218.16**
Cash and cash equivalents		177.86	-	-	**177.86**
Security deposits		44.21	-	-	**44.21**
Earnest money deposits		102.97	-	-	**102.97**
Fixed interest rate instruments					
Deposits with bank	6.25% -8.80%	15.95	59.04	-	**74.99**

The amount included above for variable interest instruments for both non-derivatives financial assets and liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

The company has access to financing facilities as.described in note 27.8.2 below, of which Rs.65.69 Lakhs were unused at the end of the reporting period (as at March 31, 2020: Rs.124.95 Lakhs). The Group expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

27.8.2 Financing facilities

(Rs. In lakhs)

Particulars	As on March 31, 2021	As on March 31, 2020
Secured bank overdraft facility:		
- Amount used	434.31	4,675.05
- Amount unused	65.69	124.95
	500.00	**4,800.00**
Secured bank term loan facility		
- Amount used	111.00	-
- Amount unused	-	-
	111.00	-
Unsecured bank term loan facility		
- Amount used	773.39	900.00
- Amount unused	-	-
	773.39	**900.00**
Secured working capital loan facility		
- Amount used	2,643.00	333.32
- Amount unused	-	-
	2,643.00	**333.32**

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27.9 Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosure are required)

The directors consider that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

(Rs. In lakhs)

Particulars	As on March 31, 2021		As on March 31, 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial Assets				
Financial Assets at amortised cost:	**4,254.90**	**4,254.90**	**4,618.20**	**4,618.20**
Other non-current financial assets	17.06	17.06	59.04	59.04
Trade receivables	4,022.95	4,022.95	4,218.17	4,218.17
Cash and cash equivalent	37.60	37.60	177.86	177.86
Bank Balances	62.51	62.51	15.95	15.95
Other current financial assets	114.78	114.78	147.18	147.18
Financial Liabilities				
Financial Liabilities held at amortised cost:	**22,159.60**	**22,159.60**	**20,767.87**	**20,767.87**
Borrowings (Non current)	2,705.74	2,705.74	773.76	773.76
Trade payables	3,100.83	3,100.83	2,947.74	2,947.74
Borrowings (Current)	11,622.53	11,622.53	12,629.36	12,629.36
Other current financial liabilities (Including current maturities of long term debts)	4,730.50	4,730.50	4,417.01	4,417.01

Fair value hierarchy

(Rs. In lakhs)

Particulars	Fair value hierarchy as at March 31, 2021			Total
	Level 1	Level 2	Level 3	
Financial Assets				
Financial Assets at amortised cost:	**100.11**	-	**4,154.78**	**4,254.89**
Other non-current financial assets	-	-	17.06	17.06
Trade receivables	-	-	4,022.95	4,022.95
Cash and cash equivalent	37.60	-	-	37.60
Bank Balances	62.51	-	-	62.51
Other current financial assets	-	-	114.78	114.78
Financial Liabilities				
Financial Liabilities held at amortised cost:	-	-	**22,159.59**	**22,159.59**
Borrowings (Non-current)	-	-	2,705.74	2,705.74
Trade payables	-	-	3,100.83	3,100.83
Borrowings (Current)	-	-	11,622.53	11,622.53
Other current financial liabilities (Including current maturities of long term debts)	-	-	4,730.50	4,730.50

Note No. 28 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

(Rs. In lakhs)

Particulars	As on 31 March, 2021	As on 31 March, 2020
(i) Principal amount remaining unpaid to micro, small and medium enterprises as at the end of the accounting year	884.84	532.00
(ii) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006),	-	-
(iii) Principal payment made to the supplier beyond the appointed day during each accounting year	150.33	244.81
(iv) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(v) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	25.75	101.68
(vi) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	43.19	17.44

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

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30. Operating lease arrangements

30.1 The Company as a lessee

30.1.1 Leasing arrangements
The company has taken certain buildings, premises and machinery under cancellable and non-cancellable operating leases. In respect of non-cancellable lease, the agreements contain a lock-in period of 3-5 years. In such lease agreements, there are no terms for purchase option or any restriction such as those concerning dividend and additional debts. Lease agreements of the Company do not contain any variable lease payment or any residual value guarantees. The Company has not entered into any sublease agreement.

During the previous year the Company had adopted Ind AS 116. Accordingly, the Company has recognised a Right of Use asset in respect of each identified asset under leases agreements (other than short term lease of 12 months or less and lease of low value assets) and corresponding lease liability being the present value of lease payments during the lease term.

Refer note no. 3 for details of Right of use assets and Refer note 2.12 for accounting policy.

30.1.2 Payments recognised as an expense **(Rs. In lakhs)**

Particulars	As on March 31, 2021	As on March 31, 2020
Lease payments accounted as rent expense	24.53	21.86
Amortisation of Right of use assets (net of capitalisation)	78.32	67.80
Unwinding discount on lease liabilities	14.69	23.68
Total	**117.54**	**113.34**

30.1.3 Maturity analysis lease liabilities

Particulars	**As on March 31, 2021**	**As on March 31, 2020**
Due in next 1 year	73.46	77.91
Due in next 1-2 years	21.91	71.68
Due in next 2-3 years	-	21.91
Total	**95.37**	**171.49**

30.1.4 Total cash outflows in respect of lease payments (including short term and low value leases) during the year were Rs. 24.53 lakhs (2019-20: Rs.21.86 lakhs)

30.2 The Company as a lessor

30.2.1 Leasing arrangements
The Company has deployed certain Data Processing Equipment (Queue Management Kiosks (QMS), Pass Book Kiosks (PBK) and CTS Scanners) at various sites under cancellable Operating Lease.

Particulars	**As on March 31, 2021**	**As on March 31, 2020**
Lease income recognised in the Statement of Profit and Loss	34.34	58.16
Total	**34.34**	**58.16**

31. Contingent liabilities and Commitments:

Particulars	As on March 31, 2021	As on March 31, 2020
Contingent Liabilities:		
(a) Sales Tax demand	1,797.52	99.48
Commitments:		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for;	-	-
(b) Other commitments	-	-

31.1 Contingent liabilities above represent estimates made mainly for probable claims arising out of litigation and disputes pending with tax authorities. The probability and timing of outflow with regard to these matters depend on the final outcome of litigations / disputes. Hence the Company is not able to reasonably ascertain the timing of the outflow.

31.2 In addition to above, the Company is also subject to legal proceedings and claims which arise in the ordinary course of business. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liability, where applicable. The management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the Company's operations or financial condition.

32. Deferred tax balances

The Company 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 arising on account of temporary difference arising on Property, Plant and Equipment and intangible asstes. The Company did not have any deferred tax liability as on March 31, 2021, accordingly, the Company has not recognised any deferred tax assets. Unabsorbed depreciation and brought forward business losses on which deffered tax assets has not been recognised (in the abscense of

FORBES TECHNOSYS LIMITED
Notes forming part of the financial statements

33. Preference Share Capital

(A) Details of Preference Share Capital (Rs. In lakhs)

Particulars	As on March 31, 2021		As on March 31, 2020	
	No. of shares	Rupees	No. of shares	Rupees
a) Authorised share capital				
Preference Shares of Rs. 10 each.	7,20,00,000	7,200.00	7,20,00,000	7,200.00
b) Issued, subscribed and fully paid:				
10% Non Cummulative, Optionally Redeemable Compulsory Convertible Preference Shares of Rs. 10 each	6,20,00,000	6,200.00	6,20,00,000	6,200.00
0.1 % Cumulative Non Convertible Redeemable Participating Preference Shares of Rs. 10 each	1,00,00,000	1,000.00	1,00,00,000	1,000.00
Total	**7,20,00,000**	**7,200.00**	**7,20,00,000**	**7,200.00**

i) Reconciliation of the number of Preference shares and amount outstanding at the beginning and at the end of the reporting period:

(Rs. In lakhs)

Particulars	No. of shares	Amount
0.1 % Cumulative Non Convertible Redeemable Participating Preference Shares of Rs. 10 each		
Balance as at April 01, 2019	1,00,00,000	1,000.00
Fresh issue	-	-
Balance as at March 31, 2020	**1,00,00,000**	**1,000.00**
Fresh issue	-	-
Balance as at March 31, 2021	**1,00,00,000**	**1,000.00**
10% Non Cummulative, Optionally Redeemable Compulsory Convertible Preference Shares of Rs. 10 each		
Balance as at March 31, 2019	**6,20,00,000**	**6,200.00**
Add : Reclassified during the year	-	
Fresh issue	-	
Balance as at March 31, 2020	**6,20,00,000**	**6,200.00**
Add : Reclassified during the year	-	-
Fresh issue	-	-
Balance as at March 31, 2021	**6,20,00,000**	**6,200**

33. Preference Share Capital (Contd...)

(i) Rights attached to 10% Non Cummulative, Optionally Redeemable Compulsory Convertible Preference Shares.

a) The preference shares shall be Redeemed at the option of the Company at par in accordance with Section 55 of the Companies Act, 2013 out of profits available for distribution as dividend or out of fresh issue of shares made for the purpose of redemption.

b) Entitled for 10% dividend on preferential basis.

c) Voting Right only for matters which directly affects the rights attached to Preference shares.

(ii) Rights attached to 0.1 % Cumulative Non Convertible Redeemable Participating Preference Shares
a) The preference shares shall be redeemable at par upon the expiry of 20 years from date of allotment.
b) Shall have right to dividend with Equity shareholders up to 8% after dividend of 0.1% has been paid to Equity shareholders.
c) Voting Right only for matters which directly affects the rights attached to Preference shares.

iii) Details of Preference shares held by each shareholder holding more than 5% shares:

Particulars	No. of shares held	% of holding
As at March 31, 2020		
0.1 % Cumulative Non Convertible Redeemable Participating Preference Shares	1,00,00,000	100.00%
Shapoorji Pallonji & Company Pvt Ltd		
10% Non Cummulative, Optionally Redeemable Compulsory Convertible Preference Shares.	6,00,00,000	96.77%
Forbes & Company Limited, the Holding company		
As at March 31, 2021		
0.1 % Cumulative Non Convertible Redeemable Participating Preference Shares		
Shapoorji Pallonji & Company Pvt Ltd	1,00,00,000	100.00%
10% Non Cummulative, Optionally Redeemable Compulsory Convertible Preference Shares.		
Forbes & Company Limited, the Holding company	6,00,00,000	96.77%

FORBES TECHNOSYS LIMITED
Notes forming part of the financial statements

33. Preference Share Capital (Contd…)

(B) Compound Financial Instruments

The preference shares contain two components: liability and equity. The equity component is presented in equity under the heading of "Other Equity". The effective interest rate of the liability component on initial recognition is 8% per annum (for Preference shares issued prior to March 31, 2016) and 10% per annum (for preference shares issued in 2016-2017).

Details of Compound Financial Instruments: **(Rs. In lakhs)**

Particulars	As on March 31, 2021	As on March 31, 2020
On May 14, 2010, the company issued 1,00,00,000 8% Cumulative Optionally Convertible Redeemable Preference Shares of Rs. 10 each which were converted to 0.1 % Cumulative Non Convertible Redeemable Participating Preference Shares of Rs. 10 each during the year 2014-15. Redemption may occur on May 13, 2030 at Rs. 10 each.	1,000.00	1,000.00

Break up of Compound Financial Instrument into Equity and Liability: **(Rs. In lakhs)**

Particulars	As on March 31, 2021	As on March 31, 2020
Proceeds from issue	1,000.00	1,000.00
Liability component at the date of issue	105.58	105.58
Equity Component	**894.42**	**894.42**
Liability component including interest accrued thereon (included in "Non-current borrowings" (note 12))	**362.61**	**323.76**

FORBES TECHNOSYS LIMITED
Notes forming part of the financial statements

34. Mangement note on material uncertainty related to going concern:
The Company has incurred a net loss of Rs.13,177.32 lakhs during the current year and the Company's current liabilities exceeded its current assets by Rs. 13,941.17 lakhs as at March 31, 2021. The Company has accumulated losses of Rs. 27,462.51 lakhs and its net worth has been fully eroded as at March 31, 2021. These conditions indicate the existence of material uncertainty that may cast a significant doubt about the Company's ability to continue as a going concern. However, during the current year, Forbes Campbell Finance Limited,(fellow subsidiary & significant shareholder) has infused additional capital of Rs. 1,000 lakhs. Further the holding company and the Ultimate Holding Company namely Shapoorji Pallonji and Company Private Limited, have provided loans aggregating to Rs. 3,397.50 lakhs in addition to existing loans to support the Company's cash flow and to meet its liabilities. The Company is confident of repayment of all liabilities, as and when due, from business operations and/ or financial support from the Holding and Ultimate Holding Company.

The Company has suffered major setback in current year and in also in the earlier year. Such setback is temporary in nature and primarily arising out of lack of demand prevalent in all sectors of the economy. The traditional business on which the company was dependant have reduced their consumption and this has directly affected revenues. Due to Covid 19 pandemic prevalent for most of the part of the year there has been a large scale contraction in demand resulting in significant downside of the operation. The operations of the Company were also impacted due to Covid-19 as the Company's manufacturing units and offices had to be completely shut-down following nationwide lockdown and also local lockdown. The company has assessed that the customers in Retail, banking ,telecom, energy verticals are more prone to immediate impact due to disruption in supply chain and drop in demand. Banking and financial service sector has reprioritise their discretionary spending in immediate future and moved towards conservation of resources.

The Company has resumed operations in a phased manner as per directives from the Government of India. The Company has evaluated impact of this pandemic on its business operations and financial position and based on its review of estimated global economic indicators and the present Indian economy's situation, the necessary impact has been considered on its financial statements for the year ended March 31, 2021. The impact of covid1-9 on our business will depend on future developments that can not be reliably predicted and such impact might be different from that estimated as at the date of approval of this financial result and the company will closely monitor any material changes to future economic condition.

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 statements.

The company has made a detailed assessment of its liquidity position for the next one year and of the recoverability and carrying values of its assets comprising property plant and equipment, intangible assets, trade receivable and inventory as at the balance sheet date, appropriate adjustment on the above have been duly made in the accounts for year ended 31, March 2021.
The challenges faced by the company in the present due to sluggish growth due to covid-19 pandemic the overall situation is alarming. However some green shoots are visible for the company in terms of orders on hand including those in pipe line, cost reduction measures, customer centric approach, wider portfolio which will lead to growth in the future years. Therefore, the Holding and Ultimate Holding Company are rendering the necessary support as required to enable the Company to revive reinvent itself.

Accordingly, considering the aforesaid and management's assessment on the overall situation at the Company, expected operational improvements planned and on-going financial support, the financial statements of the Company have been prepared on a going concern basis.

35. Management note on Embezzlement of funds of the Company
During the financial year 2019-20, irregularities in certain business transactions were detected by the Company for which the Company appointed an independent agency to conduct review of the Company's business transactions. The said agency identified fraudulent transactions over the past few years, amounting to approx. Rs. 569 lakhs involving the erstwhile Chief Financial Officer, other employees and certain third party vendors. The Company has initiated proceedings against these employees including filing of FIR. Post filing of the FIR covid-19 pandemic situation was prevalent and thus proceeding remain pending and the same will be takenup once the present pandemic situation stabilises.

36. The Company has appointed Mr. Rohit Jayakar as the managing director of the Company with effect from March 16, 2021 . The appointment and remuneration of the new managing director is subject to approval from shareholders in the ensuing general meeting of the Company.

37. Discontinued operations
During the year the Company decided to discontinue certain operations relating to online utility recharges and money transfer service forming part of the Forbes Express segment of the Company. Accordingly, the Company has presented the profit/(loss) in respect of these discontinued operations separately in the statement of profit and loss as a single amount and also re-presented the disclosures for previous year that relate to the discontinued operations.

The summary of results of the aforesaid discontinued operations, as included under the statement of profit and loss, is as follows:

Particulars	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**
Revenue from operations	872.87	2,378.60
Total Income	**872.87**	**2,378.60**
Expenses:		
Purchases of stock-in-trade (traded goods)	675.79	1,751.96
Employee benefits expense	56.07	118.90
Depreciation and amortisation expense	17.16	104.50
Other expenses	195.50	727.82
Total expenses	**944.52**	**2,703.18**
Profit / (Loss) before tax and Exceptional items from discontinued operations	**(71.65)**	**(324.58)**
Exceptional Items (Impairment Expense refer note no.4)	(789.25)	-
Profit / (Loss) before tax from discontinued operations	(860.90)	(324.58)
Tax Expense	-	-
Profit / (Loss) after tax from discontinued operations	**(860.90)**	**(324.58)**

Net Cash flows from discontinued operations		
Operating Activities	(11.16)	(171.02)
Investing Activities	-	-
Financing Activities	-	-

38. Approval of Financial Statements

Financial statements were approved on June 21, 2021 by the board of directors.

39. Previous year figures

Previous year's figures have been regrouped wherever necessary to correspond with the current year's groupings.

For and on behalf of the Board of Directors

Mr. Rohit Jayakar_________________________
Managing Director

Mr. Jai Mavani _____________________________
Director

Mr. Kuppuswamy Subramania________________
Director

Mr. Eddie Poonawala________________________
Director

Ms. Prachi N. Dave__________________________
Director

Mr. Vinod Bhandawat _______________________
Director

Mr. Sandeep Kadakia _______________________
Chief Financial Officer

Ms. Rupa Khanna____________________________
Company Secretary

Place : Mumbai
Date : June 21, 2021

1. **General Information**

Forbes Technosys Limited ('the Company or 'FTL') is limited company incorporated in India. Its holding company and ultimate holding company is Forbes and Company Limited and Shapoorji Pallonji and Company Private Limited, respectively. The company's registered office is at Forbes Building, Charanjit Rai Marg, Fort, Mumbai - 400001. FTL is engaged in providing payment processing and transaction automation solutions, services and networks that help organizations to handle large transaction volumes effectively and efficiently, while improving service quality and reducing costs.

2. **Significant Accounting Policies**

2.1 Statement of Compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

2.2 Basis of preparation, presentation and measurement

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting periods, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, 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.

2.3 Revenue recognition

(A) Revenue from Contracts with Customers

(i) Sale of goods :

Revenue from the sale of goods in the course of ordinary activities is recognised at the 'transaction price' when the goods are 'transferred' to the customer. The 'transaction price' is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods to a customer, excluding amounts collected on behalf of third parties (for example, goods and service tax). The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both. The goods are considered as 'transferred' when the customer obtains control of those goods.

Company manufactures and sells self-service kiosks to various sectors. Sales are recognised when the product is delivered and control is transferred to the end customer.

(ii) Income from Recharge sales **:**
Revenue on sale of recharge is recognised when the pins are downloaded by the customer. The Company recognises revenue at gross amount of recharge sale where the Company is acting as principal and revenue is recognised to the extent of commission amount where the Company is acting as an agent as per the terms of agreements with various distributors.

(iii) Sale of services **:**

Revenue from services are recognised in the accounting period in which service are rendered. For fixed price contracts, revenue is recognised based on actual services provided to the end of the reporting period as a proportion of the total services to be provided.

The Company recognises revenue from services 'over time', if one of the following criteria is met:
(a) The customer simultaneously receives and consumes the benefits provided by the Company's performance as the entity performs;
(b) The Company’s performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced; or
(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. If the payment exceeds the obligations performed, a contract liability is recognised.

Unbilled revenue with respect to Maintenance Contract is recognised to the extent not billed at the year end and unbilled revenue of sale of customised software is to the extent of stage of completion of development. The Company collects goods and service tax on behalf of the government and therefore it is not an economic benefit flowing to the company; hence it is excluded from unbilled revenue.

Revenue is reduced for rebates and other similar allowances.

(B) Revenue from lease contracts:

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rental income under operating leases is recognised in the Statement of Profit and Loss on a straight- line basis.

(C) Interest:
Interest income is accounted on accrual basis on time proportion basis except for Interest on Income Tax Refund which is accounted for on receipt basis.

2.4 Inventories
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.

Sl. No.	Type	Basis of determining costs
(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

Note: During the year the Company changed its costing technique from Standard cost (adjusted for variances based on weighted average purchase price) to Weighted Average Cost. The impact of change on the statement of profit and loss for the year was negligible.

2.5. Cash and cash equivalents (for purposes of Cash Flow Statement):

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition).

2.6 Property Plant and Equipment

Property Plant and Equipment are carried at cost less accumulated depreciation and impairment losses, if any. The cost of property, plant Equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

Estimates of residual value of Property plant and equipment is reviewed at least at each reporting period. Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on property plant and equipment of the Company has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following certain categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:

Item of PPE	Estimated useful life
Furniture and Fixtures	3 to 10 years
Office Equipment	3 to 5 years
Data Processing equipment leased and non-leased	3 to 6 years

Assets individually costing Rs. 5,000/- or less that were depreciated fully in the year of purchase are now depreciated based on the useful life considered by the Company for the respective category of assets.

An item of property, plant and equipment 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 item of property, plant and equipment is determined as the difference between sales proceeds and the carrying amount of the assets and is recognised in profit or loss.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

2.7 Intangible Assets

(i) Intangible Assets Acquired separately

Intangible assets, being computer software are carried at cost less accumulated amortisation and 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.

Intangible assets are amortized over their estimated useful life. The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year, with the effect of any changes in estimate being accounted for on a prospective basis, and the amortisation method is revised to reflect the changed pattern.

(ii) Intangible Assets internally generated / developed

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 Company 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 the 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 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 on the same basis as intangible asset data required separately. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of 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 profit or loss.

Useful life of intangible asset

Estimated useful life of intangible asset is as follows:

Intangible Assets	Estimated useful life
Product related software and related technologies	3 to 7 years
Operational software	3 years

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its Intangible asset recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

(iii) Intangible assets under development:

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

2.8 Impairment of assets

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their 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. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss.

2.9 Foreign currency transactions and translations

Initial recognition

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement at the balance sheet date

Foreign currency monetary items of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

Treatment of Exchange Differences

Exchange differences between the rate prevailing on the date of transaction and on the date of settlement as also on translation of monetary items at the end of the year is recognised as income or expense in the Statement of Profit and Loss as the case may be.

2.10 Employee benefits

Employee benefits include provident fund, employee state insurance scheme, gratuity fund, compensated absences and leave encashment.

(i) Post Employment Obligation

(a) Defined contribution plans

Contribution to provident fund and Employees State Insurance Corporation by the company are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

(b) Defined benefit plans

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each Balance Sheet date. Re-measurement comprising actuarial gains and losses, is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss.

Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost.

Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability.

Defined benefit costs are categorised as follows:

• Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
• Net interest expense; and
• Re-measurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'.

(ii) Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted when employees render the services that increase their entitlement of future compensated absences.

(iii) Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date using the projected unit credit method with actuarial valuation.

2.11 Borrowing costs

Borrowing costs include interest and amortisation of ancillary costs incurred. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the assets.

2.12 Leases – The Company as lessee

The Company has adopted ‘simplified approach’ under Ind AS 116 - Leases, with effect from April 01, 2019. Accordingly, the Company has recognised present value of lease liabilities of Rs. 254.66 lakhs and equal amount of 'Right of Use (ROU)' assets as on April 01, 2019. In the statement of profit and loss for the year, instead of rent expenses (as accounted under previous year), amortisation of right of use has been accounted under depreciation and amortisation expenses and unwinding of discount on lease liabilities has been accounted under finance cost. The impact on the profits / (loss) for the year due the above change in accounting policy is additional expense of Rs. 10.32 lakhs.

The Company’s leases primarily consist of leases for office and factory premises. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the date of commencement of the lease, the Company recognizes a ROU and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and/or low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Currently, ROU assets are being amortised over a period of 3-5 years based on lease term being lower of lease term and estimated useful life of underlying assets.

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

2.13 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) for the year by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit / (loss) for the year as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

2.14 Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Current and Deferred Tax are recognised in profit or loss, except when they relate to the 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.

Deferred tax is recognised on temporary differences between the carrying amounts of the assets and liabilities in the financial statement and corresponding tax bases used in the computation of taxable profit. 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 are 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 assets to be recovered.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

2.15 Provisions

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

Provision for assurance warranty

Provision for the expected cost of warranty obligations under local sale of good legislation are recognised as at the date of sale of relevant products, at the Management’s best technical estimates of the expenditure to settle the company’s obligation

2.16 Contingent liabilities

A contingent liability is disclosed when there is a remote chance as below:

(a) A possible obligation 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 entity; or

(b) A present obligation that arises from past events but is not recognised because:

(i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) The amount of the obligation cannot be measured with sufficient reliability.

Provisions and Contingent Liabilities are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

2.17 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. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

• The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

• 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.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

• the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; 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 points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

De-recognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

2.18 Financial liabilities and equity instruments

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

Equity instruments

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

Compound financial instruments

The component parts of compound financial instruments (preference shares) issued by the Company 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 the Company's own 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 re-measured. 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.

2.19 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL. However, financial liabilities that arise when a transfer of a financial asset does not qualify for de-recognition or when the continuing involvement approach applies or financial guarantee contracts issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

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

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 between 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. Similarly, 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 and payable is recognised in profit or loss.

2.20 Costs to fulfil a contract with customers

The costs incurred in fulfilling a contract with a customer (which are not within the scope of another Standard) are recognised as an asset as per Ind AS 115. These costs are deferred if and only if those costs meet all of the following criteria:

i. the costs relate directly to a contract or to an anticipated contract that can be specifically identified
ii. the costs generate or enhance resources of the Company that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
iii. the costs are expected to be recovered.

2.21 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
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.

2.22 Use of Estimates and Judgements

In the application of the accounting policies, which are described in note 2 above, 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.

Key sources of estimation uncertainty

2.22.1 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.

2.22.2 Expected credit loss for Trade Receivables

The Company determines the allowance for credit losses as per provision matrix based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company considers current and anticipated future economic conditions relating to industries the Company deals with. In calculating expected credit loss, the Company has also considered relevant credit information of its customers (to the extent the Company has access to such information) to estimate the probability of default in future and age-wise analysis of outstanding amount.

2.22.3 Measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

2.22.4 Intangible assets under development

The Company 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.

2.23 Recent amendments to Indian Accounting Standards:

Notes forming part of the financial statements

On 24 July 2020, the Ministry of Corporate Affairs (MCA) had issued amendments to certain Ind AS as follows:

a. **Ind AS 103 - Business Combinations:**

The definition of the term "business" has been revised. An optional test has been introduced to identify concentration of fair value to permit a simplified assessment of whether an acquired set of activities and assets is not a business. Additional guidance with elements of business and on assessing whether an acquired process is substantive. An entity is required to apply the amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after the April 01, 2020 and to asset acquisitions that occur on or after the beginning of that period. There was no impact on the financial statements of the Company on adoption of the above amendments for the year.

b. **Ind AS 107 - Financial Instruments: Disclosures:**

Additional disclosures have been introduced for uncertainties arising from interest rate benchmark reforms consequential to the hedge accounting related amendments in the Ind AS 109 – Financial Instruments. The Company did not have any transactions during the year to which these amendments were applicable.

c. **Ind AS 109 - Financial Instruments:**

Temporary exceptions from applying specific hedge accounting requirements have been introduced for all hedging relationships directly affected by 'interest rate benchmark reform' (i.e. the market-wide reform of an interest rate benchmark, including the replacement of an interest rate benchmark with an alternative benchmark rate). This amendment is effective for annual reporting periods beginning on or after April 01, 2020. The Company did not have any transactions during the year to which these amendments were applicable.

d. **Ind AS 116 - Leases:**

A Practical expedient has been allowed to permit lessees to exclude COVID-19 related rent concessions to be treated as a lease modification. This amendment is applicable to the Company from annual reporting periods beginning on or after April 01, 2020. There were no rent concessions during the year and accordingly, there was no impact on the financial statements of the Company on adoption of the above amendments for the year.

e. **Ind AS 1 - Presentation of Financial Statements and Ind AS 8 -Accounting Policies, Changes in Accounting Estimates and Errors (and consequential amendments to other Ind AS):**

The definition of the term "material" has been revised and is applicable prospectively for annual periods beginning on or after April 01, 2020. Consequent to the revised definition of "material", certain amendments were also notified in the Ind AS 10 - Events after the Reporting Period, Ind AS 34 - Interim Financial Reporting and Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets. There was no impact on the financial statements of the Company on adoption of this amendment for the year.

f. **Standards issued but not yet effective:**

As on the date of approval of these financial statements, there were no such notifications which would have been applicable from April 1, 2021.

INFINITE WATER SOLUTIONS PRIVATE LIMITED
(a wholly owned subsidiary Company of
Eureka Forbes Limited)

Financial Statements
For the Year ended March 31, 2021

INDEPENDENT AUDITORS' REPORT

To the Members of Infinite Water Solutions Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Infinite Water Solutions Private Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2021, and the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the board's report, but does not include the financial statements and our auditors' report thereon.

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

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

Management's and Board of Directors' Responsibility for the 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 financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial statements made by the Management and Board of Directors.

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. (A) As required by Section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid 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 5 April 2021 and 7 April 2021, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations as at 31 March 2021 on its financial position in its financial statements – Refer Note 34 to the financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and

iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2020.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

According to the information and explanation given to us, the Company has not paid any managerial remuneration during the current year and accordingly the requirement as stipulated by the provisions of Section 197 (16) of the Act are not applicable to the Company.

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***For* B S R & Associates LLP**
Chartered Accountants
Firm's Registration No. 116231W/W-100024

Gajendra Sharma
Partner
Membership No. 064440
UDIN:

Place: Gurugram
Date: 10 June 2021

Annexure A referred to the Independent Auditor's Report to the members of the Infinite Water Solutions Private Limited for the year ended 31 March 2021.

(i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.

b) The Company has a regular programme of physical verification of its fixed assets by which all the fixed assets are physically verified by the management once during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. As explained to us, no material discrepancies were noticed on such verification.

c) According to the information and explanations given to us Company does not own any immovable property. Accordingly, paragraph 3(i) (c) of the Order is not applicable.

(ii) According to the information and explanation given to us, the inventories, except materials-in-transit, have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable having regard to the size of the Company and nature of the business. The discrepancies noticed on such verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.

(iii) According to the information and explanations given to us, the Company has granted loans, secured or unsecured, to company covered under the register maintained under section 189 of the Act;

a) In our opinion, the rate of interest and other terms and conditions on which loans has been granted, were not, prime facie, prejudicial to the interest of the Company.

b) In case of the above loan, the borrower has been regular in payment of principal and interest as stipulated

c) There is no amount overdue for more than 90 days in respect of the above loan and entire principal and interest has been settled by the company during the current year.

(iv) According to the information and explanations given to us and on the basis of our examination, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans given. Further, there are no investments made, guarantees or security given in respect of which provisions of section 185 and 186 of the Companies Act, 2013 are applicable.

(v) As per the information and explanations given to us, the Company has not accepted any deposits as mentioned in the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the central government for the maintenance of cost records under section 148(1) of the Companies Act, 2013 and we are of the opinion that prima-facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees state insurance, income tax, goods and services tax, duty of customs, cess and other material statutory dues have generally been regularly deposited during the year by the company with appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of provident fund, employees state insurance, income-tax, goods and services tax, duty of customs, cess and other material statutory dues were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.

The Company does not have any liability in respect of service tax, duty of excise, sales tax and value added tax since effective 1 July 2017, these statutory dues have been subsumed into goods and services tax.

(b) According to the information and explanations given to us, there are no dues of income tax, goods and services tax, sales-tax, service tax, duty of excise, duty of customs and value added tax which have not been deposited with the appropriate authorities on account of any dispute, except as mentioned below:

Name of the Statute	**Nature of the dues**	**Amount involved (Rs.)**	**Amount paid under protest**	**Financial year to which the amount relates**	**Forum where dispute is pending**
Uttarakhand Value Added Tax Act 2005	Value added tax	17,397*	17,397	2013-14	Joint Commissioner (Appeals)
Uttarakhand Value Added Tax Act 2005	Value added tax	435,282*	87,058	2013-14	Joint Commissioner (Appeals)
Uttarakhand Value Added Tax Act 2005	Penalties relating to value added tax	2,734,248	Nil	2015-16	Tribunal of Commercial taxes
Uttarakhand Value Added Tax Act 2005	Value added tax	58,604*	58,604	2015-16	Joint Commissioner (Appeals)
Uttarakhand Value Added Tax Act 2005	Value added tax	835,916*	83,592	2011-12	Joint Commissioner (Appeals)

Uttarakhand Value Added Tax Act 2005	Value added tax	233,770*	23,377	2012-13	Joint Commissioner (Appeals)
Uttarakhand Value Added Tax Act 2005	Value added tax	3,994,676*	500,000	2015-16	Joint Commissioner (Appeals)
Income tax Act, 1961	Disallowance of deduction under 80IC	14,054,480*	Nil	2011-12	Commissioner of Income-tax (Appeals)
Income Tax Act, 1961	Disallowance of deduction under 80IC	50,850*	Nil	2014-15	Deputy Commissioner of Income taxes
Income Tax Act, 1961	Disallowance of MAT Credit	338,720*	Nil	2015-16	CPC Bengaluru

* Amount as per demand orders excluding interest and penalty, wherever indicated in the orders.

(viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to any banks during the year. The Company did not have any loans or borrowings from a financial institution, government or dues to debenture holders during the year.

(ix) In our opinion and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and did not have any term loan outstanding during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company, by its officer or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not paid any managerial remuneration as stipulated under the provisions of Section 197 of the Companies Act, 2013. Accordingly, paragraph 3(xi) of the Order is not applicable.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the order is not applicable.

(xiii) According to the information and explanations given to us and on the basis of our examination of records of the Company, all transactions with the related parties are in compliance with Section 177 and 188 of the Act, where applicable and the details have been disclosed in the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on the basis of examination of records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transaction with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **B S R & Associates LLP**
Chartered Accountants
Firm registration No.: 116231W/W-100024

Gajendra Sharma
Partner
Membership No: 064440
UDIN:

Place: Gurugram
Date: 10 June 2021

Annexure B to the Independent Auditors' report on the financial statements of Infinite Water Solutions Private Limited for the year ended 31 Mach 2021.

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of **Infinite Water Solutions Private Limited** ("the Company") as of 31 March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements 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 company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

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

For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No.: 116231W/W-100024

Gajendra Sharma
Partner
Membership No. 064440

Place: Gurugram
Date: 10 June 2021

Infinite Water Solutions Private Limited
Balance Sheet as at 31 March 2021
(All amounts are in Indian Rupees, unless otherwise stated)

	Notes	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-current assets			
Property, plant and equipment	4	1,87,19,134	2,46,50,115
Right-of-use assets	5A	1,47,33,982	24,88,100
Intangible assets	5B	27,554	1,73,299
Financial assets			
(i) Investment	6	71,430	71,430
(ii) Other financial assets	7	7,75,762	7,75,762
Deferred tax assets (net)	9	1,40,033	-
Non-current tax assets (net)	8	18,38,165	14,75,255
Total non-current assets		**3,63,06,060**	**2,96,33,961**
Current assets			
Inventories	10	9,69,89,695	6,48,60,640
Financial assets			
(i) Trade receivables	11	10,49,88,715	21,84,37,433
(ii) Cash and cash equivalents	12	-	-
(iii) Other bank balances	13	45,000	-
(iv) Other financial assets	7	-	25,23,75,753
Current tax assets (net)		-	4,33,700
Other current assets	14	58,16,170	15,98,599
Total current assets		**20,78,39,580**	**53,77,06,125**
Total assets		**24,41,45,640**	**56,73,40,086**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	7,00,00,000	7,00,00,000
Other equity			
(i) Retained earnings	16	10,05,77,347	32,68,50,753
(ii) Other comprehensive income	16	(1,70,967)	(1,55,815)
Total equity (equity attributable to owners of the company)		**17,04,06,380**	**39,66,94,938**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	19	39,94,354	-
(ii) Lease liabilities	33	1,11,98,556	-
Provisions	17	9,92,528	9,23,925
Deferred income	18	-	1,62,262
Deferred tax liabilities (net)	9	-	4,34,356
Total non-current liabilities		**1,61,85,438**	**15,20,543**
Current liabilities			
Financial liabilities			
(i) Borrowings	19	2,85,29,675	2,84,18,532
(ii) Lease liabilities	33	37,78,589	26,07,573
(iii) Trade payables	20		
Total outstanding dues of micro enterprises and small enterprises		52,61,218	31,71,883
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,37,34,020	1,84,88,066
(iv) Other financial liabilities	21	35,50,159	30,000
Provisions	17	35,417	60,748
Deferred income	18	1,62,262	3,60,144
Other current liabilities	22	20,82,018	11,59,87,659
Current tax liabilities (net)		4,20,464	-
Total current liabilities		**5,75,53,822**	**16,91,24,605**
Total equity and liabilities		**24,41,45,640**	**56,73,40,086**

Significant accounting policies 2 & 3

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For **B S R & Associates LLP**
Chartered Accountants
Firm Registration No.: 116231 W/W-100024

For and on behalf of the Board of Directors of
Infinite Water Solutions Private Limited

Gajendra Sharma
Partner
Membership No.: 064440

Place: Gurugram
Date: 10 June 2021

Rajagopalan Sambamoorthy
Director
DIN: 02706251

Place:
Date:

Ashu Khanna
Director
DIN: 06693193

Place:
Date:

Vikas Gaikwad
Company Secretary

Place:
Date:

Infinite Water Solutions Private Limited
Statement of Profit and Loss for the year ended 31 March 2021
(All amounts are in Indian Rupees, unless otherwise stated)

	Notes	For the year ended 31 March 2021	For the year ended 31 March 2020
Revenue from operations	23	44,91,25,423	46,84,79,999
Other income	24	2,58,80,681	93,06,668
Total income		**47,50,06,104**	**47,77,86,667**
Expenses			
Cost of materials consumed	25	34,25,73,326	34,96,30,603
Purchases of traded goods		43,193	77,184
Changes in inventories of finished goods, traded goods & work in progress	26	(1,07,44,011)	(81,52,781)
Employee benefits expense	27	1,27,04,480	1,49,98,294
Finance costs	28	33,43,458	98,90,367
Depreciation and amortisation expense	29	85,07,316	91,02,591
Other expenses	30	1,92,19,794	2,25,04,199
Total expenses		**37,56,47,556**	**39,80,50,457**
Profit before tax		**9,93,58,548**	**7,97,36,210**
Tax expense:			
- Current tax	31	2,62,01,247	2,27,61,132
- Deferred tax	31	(5,69,293)	2,72,755
Profit for the year		**7,37,26,594**	**5,67,02,323**
Other comprehensive income / (loss) (OCI)			
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of the defined benefit asset		(20,248)	(1,01,452)
Income tax relating to items that will not be reclassified to profit or loss		5,096	25,533
Other comprehensive income / (loss) for the year, net of tax		**(15,152)**	**(75,919)**
Total comprehensive income for the year		**7,37,11,442**	**5,66,26,404**
Earnings per equity share			
- Basic and diluted earnings per share	32	10.53	8.10
Significant accounting policies	2 & 3		

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For **B S R & Associates LLP**
Chartered Accountants
Firm Registration No.: 116231 W/W-100024

For and on behalf of the Board of Directors of
Infinite Water Solutions Private Limited

Gajendra Sharma
Partner
Membership No.: 064440

Rajagopalan Sambamoorthy
Director
DIN: 02706251

Ashu Khanna
Director
DIN: 06693193

Vikas Gaikwad
Company Secretary

Place: Gurugram
Date: 10 June 2021

Place:
Date:

Place:
Date:

Place:
Date:

Infinite Water Solutions Private Limited
Statement of Cash Flows for the year ended 31 March 2021
(All amounts are in Indian Rupees, unless otherwise stated)

	Year ended 31 March 2021	Year ended 31 March 2020
Cash flows from operating activities		
Profit for the year	7,37,26,594	5,67,02,323
Adjustments for:		
Depreciation and amortisation expense	85,07,316	91,02,591
Finance costs	33,43,458	97,83,249
Interest income	(2,22,83,219)	(68,15,674)
Loss on disposal of property, plant and equipment	21,187	2,00,086
Government grants	(3,60,144)	(3,60,144)
Income tax expense	2,56,31,954	2,30,33,887
Net foreign exchange gains- unrealised	(19,353)	(1,75,474)
Operating profit before working capital changes	**8,85,67,793**	**9,14,70,844**
Working capital adjustments:		
Decrease in trade receivables	3,41,04,571	21,69,78,515
(Increase) in inventories	(3,21,29,055)	(27,70,757)
(Increase) in other assets	(42,17,571)	(10,91,581)
(Decrease) in trade payables	(28,01,577)	(4,12,75,767)
Increase in provisions	23,024	1,94,518
(Decrease) in financial liabilities and other liabilities	(11,37,85,235)	(10,67,977)
Cash (used in)/generated from operating activities	(11,88,05,843)	17,09,66,951
Income taxes paid (net)	(2,57,09,993)	(2,39,08,687)
Net cash (used in)/generated from operating activities (A)	**(5,59,48,043)**	**23,85,29,108**
Cash flows from investing activities		
Inter corporate deposit given	-	(30,00,00,000)
Repayment of inter corporate deposits given	5,00,00,000	5,00,00,000
Interest income received	40,03,119	45,57,091
Acquisition of property, plant and equipment	(3,48,188)	(16,73,792)
Proceeds from sale of property, plant and equipment	11,62,259	2,07,488
(Payment for) /proceeds from bank deposits	(45,000)	1,25,00,000
Net cash generated from / (used in) from investing activities (B)	**5,47,72,190**	**(23,44,09,213)**
Cash flows from financing activities		
Proceeds from non current borrowing	83,00,000	-
Repayment of non current borrowing	(8,33,412)	-
Net increase/(decrease) in cash credit facility	1,11,143	(9,10,146)
Payment of lease liabilities including interest	(35,91,226)	(35,91,231)
Interest paid	(28,10,652)	(22,20,461)
Net cash generated from / (used in) financing activities (C)	**11,75,853**	**(67,21,838)**
Net decrease in cash and cash equivalents (A+B+C)	-	(26,01,943)
Cash and cash equivalents at the beginning of the year	(0)	26,01,943
Cash and cash equivalents at the end of the year	**(0)**	**(0)**

*Refer note 19.3

Significant accounting policies 2 & 3

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For **B S R & Associates LLP**
Chartered Accountants
Firm Registration No.: 116231 W/W-100024

For and on behalf of the Board of Directors of
Infinite Water Solutions Private Limited

Gajendra Sharma
Partner
Membership No.: 064440

Rajagopalan Sambamoorthy
Director
DIN: 02706251

Ashu Khanna
Director
DIN: 06693193

Vikas Gaikwad
Company Secretary

Place: Gurugram
Date: 10 June 2021

Place:
Date:

Place:
Date:

Place:
Date:

Infinite Water Solutions Private Limited
Statements of Changes in Equity for the year ended 31 March 2021
(All amounts are in Indian Rupees, unless otherwise stated)

a. Equity share capital

Particulars	Number	Amount
Balance as at 1 April 2019	**70,00,000**	**7,00,00,000**
Changes in equity share capital during the year	-	-
Balance as at 31 March 2020	**70,00,000**	**7,00,00,000**
Changes in equity share capital during the year	-	-
Balance as at 31 March 2021	**70,00,000**	**7,00,00,000**

b. Other equity

Particulars	Retained earnings	Items of other comprehensive income /(loss)	Total
Balance as at 1 April 2019	**37,49,80,430**	**(79,896)**	**37,49,00,534**
Total comprehensive income for the year ended 31 March 2020			
Profit for the year	5,67,02,323	-	5,67,02,323
Less: Dividend distribution tax	(10,48,32,000)	-	(10,48,32,000)
Other comprehensive income, net of tax	-	(75,919)	(75,919)
Total comprehensive income	**(4,81,29,677)**	**(75,919)**	**(4,82,05,596)**
Balance as at 31 March 2020	**32,68,50,753**	**(1,55,815)**	**32,66,94,938**
Balance as at 1 April 2020	**32,68,50,753**	**(1,55,815)**	**32,66,94,938**
Total comprehensive income for the year ended 31 March 2021			
Profit for the year	7,37,26,594	-	7,37,26,594
Less: Interim dividend	(30,00,00,000)	-	(30,00,00,000)
Other comprehensive income, net of tax	-	(15,152)	(15,152)
Total comprehensive income	**(22,62,73,406)**	**(15,152)**	**(22,62,88,558)**
Balance as at 31 March 2021	**10,05,77,347**	**(1,70,967)**	**10,04,06,380**

Significant accounting policies 2 & 3

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For **B S R & Associates LLP**
Chartered Accountants
Firm Registration No.: 116231 W/W-100024

For and on behalf of the Board of Directors of
Infinite Water Solutions Private Limited

Gajendra Sharma
Partner
Membership No.: 064440

Rajagopalan Sambamoorthy
Director
DIN: 02706251

Ashu Khanna
Director
DIN: 06693193

Vikas Gaikwad
Company Secretary

Place: Gurugram
Date: 10 June 2021

Place:
Date:

Place:
Date:

Place:
Date:

1. Reporting entity

Infinite Water Solutions Private Limited (the 'Company') is a Company domiciled in India, with its registered office situated at B1/B2, 7th floor, 701, Marathon Innvoa, Off Ganpatrao Kadam Marg, Lower Parel, Mumbai – 400013. The Company was incorporated as a Joint Venture between Eureka Forbes Limited, a company incorporated under the Companies Act, 1956 and Pentair Global S.a.r.L., a Luxemberg Societe a Responsabilite Limited (Pentair). The Company became a wholly owned subsidiary of Eureka Forbes Limited w.e.f. 31 March 2021. The manufacturing facility of the Company is located at Lal Tappar Industrial Area in the State of Uttarakhand. The Company is primarily involved in manufacturing of reverse osmosis membrane elements and other related water treatment products.

2. Basis of preparation

a. Statement of compliance

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

The financial statements were authorised for issue by the Company's Board of Directors on 10 June 2021.

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

b. Going concern

The financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets at least at the recorded amounts and discharge its liabilities in the usual course of business. The Company has recorded net profit before tax of Rs. 99,358,548 for the year ended 31 March 2021 (Rs. 79,736,210 for the year ended 31 March 2020) and, as at that date, current assets exceed current liabilities by Rs. 150,285,758 (31 March 2020: Rs. 368,607,053). The Company has considered the impact of Covid-19 on the future projections of the Company as further disclosed in detail in Note 38. In view of the positive net worth, the assessment of future cash flows projections, availability of liquid funds and investments and unused credit facilities, the management considers that it is appropriate to prepare these financial statements on a going concern basis.

c. Functional and presentation currency

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

d. Basis of measurement

The financial statements have been prepared on the historical cost basis except for the investment in equity shares which has been measured on fair value basis.

e. Use of estimates and judgements

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

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

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:
-Note 3(d)(iii) and 4 – useful life of Property, plant and equipment
-Note 3(e)(iii) and 5B – useful life of Intangible assets
-Note 3(h) and 27 – employee benefit plans
-Note 3(i) and 34 – provisions and contingent liabilities
-Note 3(m) and 31 – Income taxes
-Note 3(k) and 33 – Lease classification

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2021 is included in the following notes:
-Note 34 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;

f. Measurement of fair values

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

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

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

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

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.
- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the

asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

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

Further information about the assumptions made in measuring fair values is included in the Note 36 – financial instruments.

3. Significant accounting polices

a. Foreign currency transactions

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

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

b. Revenue recognition

Under Ind AS 115, the Company recognized revenue when (or as) a performance obligation was satisfied, i.e. when 'control' of the goods underlying the particular performance obligation were transferred to the customer.

Further, revenue from sale of goods is recognized based on a 5-Step Methodology which is as follows:
Step 1: Identify the contract(s) with a customer
Step 2: Identify the performance obligation in contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Revenue from the sale of goods in the course of ordinary activities is measured based on the transaction price, which is the consideration, net of returns, trade discounts and volume rebates if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers other than excise duty.

c. Financial instruments

i. *Recognition and initial measurement*

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii. *Classification and subsequent measurement*

Financial assets

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

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

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

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

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

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

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

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amotised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

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

iii. *Derrecogniton*

Financial assets

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

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

Financial liabilities

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

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

iv. *Offsetting*

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

d. Property, plant and equipment

i. Recognition and measurement

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

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

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

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

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

ii. Subsequent expenditure

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

iii. Depreciation

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

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

Asset	Management estimate of useful life	Useful life as per Schedule II of the Companies Act, 2013
Plant and machinery (including moulds)	15 years	15 years
Office equipments	5 years	5 years
Furniture and fixtures	10 years	10 years
Computers	3 years	3 years
Computer server	6 years	6 years
Vehicles- Motor car	5 years	8 years
Vehicle- Motor bike	10 years	10 years
Electric fittings	10 years	10 years

Leasehold improvements are depreciated under the straight line method over the period of lease or the useful life as estimated by management, whichever is lower.

Vehicles purchased under the scheme of the Company for employees is depreciated over a period of 5 years after reducing the residual value at 5%.

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

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

e. Intangible assets

i. Acquired intangible

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

ii. Subsequent expenditure

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

iii. Amortisation

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

The estimated useful live is as follows:

- Software 6 years

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

f. Inventories

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

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

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

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

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

g. Impairment

i. Impairment of financial instruments

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

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:
- bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

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

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

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

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

ii. Impairment of non-financial assets

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

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

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

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

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

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

h. Employee benefits

i. *Short-term employee benefits*

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

ii. *Defined contribution plans*

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

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

iii. Defined benefit plans

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

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

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

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

iv. Other long-term employee benefits

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

i. Provisions and contingent liabilities

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

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

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

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

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

j. Government grants

Government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant; they are then recognised in profit or loss as other operating revenue on a systematic basis.

Grants that compensate the Company for expenses incurred are recognised in profit or loss as other operating revenue on a systematic basis in the periods in which such expenses are recognised.

k. Leases

The Company has applied Ind AS 116 w.e.f. 01 April 2019 using the modified retrospective approach. At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As lessee

The Company's lease asset classes primarily consist of leases for buildings. The Company, at the inception of a contract, assesses whether the contract is a lease or not. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. This policy has been applied to contracts existing and entered on or after 1 April 2019.

The Company elected to use the following practical expedients on initial application:

- Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
- Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

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

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, if the company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'financial liabilities' in the statement of financial position.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The Company recognises the lease payments associated with these leases as an expense in the Statement of Profit or Loss over the lease term.

Amendments to Ind AS 116

On 24 July 2020, Ministry of Corporate Affairs notified amendments to Ind AS 116 – Leases, introducing an optional practical expedient for leases in which the Company is a lessee wherein the Company is not required to assess whether eligible rent concessions, to payments originally due on or before 30 June 2021, which are direct consequences of the COVID-19 pandemic are lease modifications. The Company has elected to apply the practical expedient consistently to lease contracts.

l. Recognition of interest income or expense

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

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:
- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

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

m. Income tax

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

i. Current tax

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

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

ii. Deferred tax

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

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable Company, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

n. Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding after adjusting for the effects of all potential dilutive ordinary shares.

Infinite Water Solutions Private Limited
Notes to the financial statements for the year ended 31 March 2021
(All amounts are in Indian Rupees, unless otherwise stated)

4. Property, plant and equipment

	Plant and machinery	Furniture and fixtures	Vehicles	Office equipments	Leasehold improvements	Electrical fittings	Moulds	Computers	Total
Cost (gross carrying amount)									
Balance as at 1 April 2019	**5,33,40,411**	**25,24,418**	**19,85,035**	**6,84,241**	**9,00,359**	**36,355**	**8,91,097**	**2,55,450**	**6,06,17,366**
Additions	14,859	-	13,95,285	1,59,692	-	-	-	1,03,956	16,73,792
Disposals/Adjustments	7,54,030	-	7,72,816	-	-	-	-	-	15,26,846
Balance as at 31 March 2020	**5,26,01,240**	**25,24,418**	**26,07,504**	**8,43,933**	**9,00,359**	**36,355**	**8,91,097**	**3,59,406**	**6,07,64,312**
Balance as at 1 April 2020	**5,26,01,240**	**25,24,418**	**26,07,504**	**8,43,933**	**9,00,359**	**36,355**	**8,91,097**	**3,59,406**	**6,07,64,312**
Additions	99,500	-	-	47,259	-	-	-	2,01,429	3,48,188
Disposals/Adjustments	-	-	20,55,522	-	-	-	-	26,064	20,81,586
Balance as at 31 March 2021	**5,27,00,740**	**25,24,418**	**5,51,982**	**8,91,192**	**9,00,359**	**36,355**	**8,91,097**	**5,34,771**	**5,90,30,914**
Accumulated depreciation									
Balance as at 1 April 2019	**2,70,12,201**	**13,72,415**	**13,98,495**	**5,01,454**	**9,00,359**	**19,536**	**2,68,325**	**1,15,274**	**3,15,88,059**
Depreciation for the year	48,20,727	2,73,432	3,26,653	87,761	-	4,884	72,128	59,825	56,45,410
Disposals	5,44,403	-	5,74,869	-	-	-	-	-	11,19,272
Balance as at 31 March 2020	**3,12,88,525**	**16,45,847**	**11,50,279**	**5,89,215**	**9,00,359**	**24,420**	**3,40,453**	**1,75,099**	**3,61,14,197**
Balance as at 1 April 2020	**3,12,88,525**	**16,45,847**	**11,50,279**	**5,89,215**	**9,00,359**	**24,420**	**3,40,453**	**1,75,099**	**3,61,14,197**
Depreciation for the year	44,13,947	1,98,170	2,43,893	55,098	-	4,521	72,128	1,07,966	50,95,723
Disposals	-	-	8,98,140	-	-	-	-	-	8,98,140
Balance as at 31 March 2021	**3,57,02,472**	**18,44,017**	**4,96,032**	**6,44,313**	**9,00,359**	**28,941**	**4,12,581**	**2,83,065**	**4,03,11,780**
Carrying amount (net)									
As at 31 March 2020	**2,13,12,715**	**8,78,571**	**14,57,225**	**2,54,718**	**-**	**11,935**	**5,50,644**	**1,84,307**	**2,46,50,115**
As at 31 March 2021	**1,69,98,268**	**6,80,401**	**55,950**	**2,46,879**	**-**	**7,414**	**4,78,516**	**2,51,706**	**1,87,19,134**

(All amounts are in Indian Rupees, unless otherwise stated)

5A. Right-of-use assets

Particular	**Building**	**Total**
Balance as at 1 April 2019	-	-
Impact on account of adoption of Ind AS 116	57,99,536	57,99,536.00
Depreciation for the year	33,11,436	33,11,436.00
Balance as at 31 March 2020	**24,88,100**	**24,88,100**
Balance as at 1 April 2020	24,88,100	24,88,100
Additions	1,55,11,730	1,55,11,730
Depreciation for the year	32,65,848	32,65,848
Balance as at 31 March 2021	**1,47,33,982**	**1,47,33,982**

Note: The aggregate depreciation expenses on right-of-use assets is included under depreciation and amortization expenses in the statement of profit and loss.

5B. Intangible assets

	Computer Software	**Total**
	`	`
Balance as at 31 March 2020	**8,74,472**	**8,74,472**
Balance as at 31 March 2021	**8,74,472**	**8,74,472**
Accumulated amortisation		
Balance as at 1 April 2019	**5,55,428**	**5,55,428**
Amortisation for the year	1,45,745	1,45,745
Balance as at 31 March 2020	**7,01,173**	**7,01,173**
Balance as at 1 April 2020	**7,01,173**	**7,01,173**
Amortisation for the year	1,45,745	1,45,745
Balance as at 31 March 2021	**8,46,918**	**8,46,918**
Carrying amount (net)		
As at 31 March 2020	**1,73,299**	**1,73,299**
As at 31 March 2021	**27,554**	**27,554**

(All amounts are in Indian Rupees, unless otherwise stated)

6. Non-current investments

	As at 31 March 2021	As at 31 March 2020
Unquoted equity shares		
Equity shares at FVOCI*		
7,143 (31 March 2020: 7,143) equity shares of Rs 10 each	71,430	71,430
	71,430	**71,430**

* The Company has designated the above investment in equity shares at FVOCI because these equity shares represent investment that the Company intends to hold for long-term for strategic purposes.
* Fair Value through other comprehensive income (FVOCI)

7. Other financial assets

	As at 31 March 2021		As at 31 March 2020	
	Non-current	Current	Non-current	Current
Unsecured, considered good				
Inter corporate deposits to related party *	-	-	-	25,00,00,000
Security deposits				
- To related parties	7,48,332	-	7,48,332	-
- To others	27,430	-	27,430	-
Interest accrued				
- On inter corporate deposits to related party*	-	-	-	23,75,753
	7,75,762	**-**	**7,75,762**	**25,23,75,753**

* During the year ended 31 March 2020, the Company had given unsecured inter corporate deposits of Rs 250,000,000 to Eureka Forbes Limited ("EFL") carrying an interest rate of 10.25% p.a. These inter corporate deposits were repayable after six to nine months from the date of remittance. During the current year, inter corporate deposits amounting to Rs. 50,000,000 have been received back by the Company in cash and the balance receivable towards inter corporate deposits (including interest) has been adjusted against the interim dividend payable by the Company to EFL. Also refer note 35.

8. Income tax assets (net)

	As at 31 March 2021	As at 31 March 2020
Non Current		
Advance income tax and tax deducted at source (net of provision of Rs 9,96,03,560 (31 March 2020 Rs 7,67,71,638)	18,38,165	14,75,255
	18,38,165	**14,75,255**

9. Deferred tax (liabilities)/assets (net)

a) Recognised deferred tax assets/(liabilities)

Deferred tax assets/(liabilities) are attributable to the following:

	Deferred tax assets		Deferred tax (liabilities)		Net deferred tax (liabilities)/assets	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Lease labilities	61,199	30,069	-	-	61,199	30,069
Property, plant and equipment	-	-	(1,79,879)	(7,12,247)	(1,79,879)	(7,12,247)
Provision - employee benefits	2,58,713	2,47,823	-	-	2,58,713	2,47,823
Deferred tax assets/(liabilities)	3,19,912	2,77,891	(1,79,879)	(7,12,247)	1,40,033	(4,34,356)
Set off	(3,19,912)	(2,77,891)	3,19,912	2,77,891	-	-
Net deferred tax assets/(liabilities)	**-**	**-**	**1,40,033**	**(4,34,356)**	**1,40,033**	**(4,34,356)**

b) Movement of temporary differences

	Balance as on 1 April 2019	Recognised in profit or loss during 2019-20	Recognised in OCI during 2019-20	Balance as on 31 March 2020	Recognised in profit or loss during 2020-21	Recognised in OCI during 2020-21	Balance as on 31 March 2021
Lease labilities	-	30,069	-	30,069	31,130	-	61,199
Property, plant and equipment	(14,05,852)	6,93,605	-	(7,12,247)	5,32,368	-	(1,79,879)
Minimum alternate tax	8,93,887	(8,93,887)	-	-	-	-	-
Provision - employee benefits	3,24,831	(1,02,541)	25,533	2,47,823	5,794	5,096	2,58,713
	(1,87,134)	**(2,72,755)**	**25,533**	**(4,34,356)**	**5,69,293**	**5,096**	**1,40,033**

10. Inventories*
(At lower of cost and net realisable value)

	As at 31 March 2021	As at 31 March 2020
Raw materials (including raw material in transit amounting to Rs 77,68,691, 31 March 2020: Rs 86,88,373)	7,16,63,241	5,02,78,197
Work-in-progress	26,47,999	26,19,262
Manufactured goods	2,26,78,455	1,18,75,819
Traded goods	-	87,362
	9,69,89,695	**6,48,60,640**

* For inventories secured against borrowings, see Note 19.

(All amounts are in Indian Rupees, unless otherwise stated)

11. Trade receivables
(Unsecured, considered good)

	As at 31 March 2021	As at 31 March 2020
Considered good* @#	10,49,88,715	21,84,37,433
	10,49,88,715	**21,84,37,433**

*The Company's exposure to credit risk and loss allowances related to trade receivables are disclosed in Note 36.
@ after adjusting Rs 79,344,147 (31 March 2020: Rs. Nil) towards the interim dividend payable to the related party. Also refer note 35.
# For receivables secured against borrowings, see Note 19.

Of the above, trade receivables from related parties* are as below:

	As at 31 March 2021	As at 31 March 2020
Eureka Forbes Limited	10,44,67,627	21,80,66,323
Aquaignis Technologies Private Limited	5,21,088	1,74,640
	10,49,88,715	**21,82,40,963**

*refer note 35

12. Cash and cash equivalents *

	As at 31 March 2021	As at 31 March 2020
Bank balances	-	-
	-	**-**

Information pursuant to G.S.R. 308 (E) dated 30 March 2017 issued by Ministry of corporate affairs:
The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made in these financial statements since the requirement does not pertain to financial year ended 31 March 2021.

*The Company's exposure to credit risk related to cash and cash equivalents is disclosed in Note 36.

13. Other bank balances

	As at 31 March 2021	As at 31 March 2020
Deposits with banks (Current)*	45,000	-
	45,000	**-**

*The Company's exposure to credit risk and interest risk related to deposits with banks are disclosed in Note 36.

14. Other current assets
(unsecured, considered good unless otherwise stated)

	As at 31 March 2021	As at 31 March 2020
Prepaid expenses	2,19,322	1,84,739
Advance to vendors	5,10,449	4,63,646
Balance with government authorities	50,86,399	9,50,214
	58,16,170	**15,98,599**

(All amounts are in Indian Rupees, unless otherwise stated)

15. Equity share capital

	As at 31 March 2021	As at 31 March 2020
Authorised :		
7,000,000 (31 March 2020: 7,000,000) equity shares of Rs.10 each	7,00,00,000	7,00,00,000
Issued, subscribed and paid up :		
7,000,000 (31 March 2020: 7,000,000) fully paid equity shares of Rs.10 each	7,00,00,000	7,00,00,000
	7,00,00,000	**7,00,00,000**

Reconciliation of shares outstanding at the beginning and at the end of reporting period.

	Number of Shares	Amount
Balance as at 1 April 2019	70,00,000	7,00,00,000
Add: Issued during the year	-	-
Balance as at 31 March 2020	**70,00,000**	**7,00,00,000**
Add: Issued during the year	-	-
Balance as at 31 March 2021	**70,00,000**	**7,00,00,000**

Rights, preferences and restrictions attached to equity shares.

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets on winding up. The equity shares are entitled to receive dividend as declared from time to time, subject to preferential right of preference shareholders to payment of dividend. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to his/its share of the paid-up equity share capital of the Company.

Details of shares held by holding / ultimate holding company and shareholders holding more than 5% shares

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number of shares held	% holding in the class of shares	Number of shares held	% holding in the class of shares
Eureka Forbes Limited*	69,99,993	99.99%	35,00,000	50%
Pentair Global S.Ar.L**	-	0%	35,00,000	50%

* the remaining shares are jointly held by nominees of Eureka Forbes Limited, the holding company with effect from 31 March 2021

**pursuant to the share purchase agreement dated 29 February 2020 entered into between Eureka Forbes Limited and Pentair Global S.Ar.L and subsequent amendments thereto, 3,500,000 number of equity shares of the Company held by Pentair Global S.Ar.L have been transferred to Eureka Forbes Limited on 31 March 2021. By virtue of this transfer of these equity shares, the Company has become a wholly-owned subsidiary of Eureka Forbes Limited with effect from 31 March 2021.

Eureka Forbes Limited is a subsidiary of Forbes & Company Limited and the Ultimate holding company is Shapoor Pallonji and Company Private Limited.

16. Other Comprehensive Income (OCI) (net of tax)

Remeasurement of defined benefit liability/(asset)

	As at 31 March 2021	As at 31 March 2020
Opening balance	(1,55,815)	(79,896)
Remeasurement of defined benefit liability/(asset)	(15,152)	(75,919)
Closing balance	**(1,70,967)**	**(1,55,815)**

Remeasurement of defined benefit liability/(asset) comprises actuarial gains and losses

(All amounts are in Indian Rupees, unless otherwise stated)

16 A. Capital management

The Company's objectives when managing capital are to:
- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio:

Net debt (total borrowings net of cash and cash equivalents) divided by total 'equity' (as shown in the balance sheet).

The gearing ratios are as follows:

	As at 31 March 2021	As at 31 March 2020
Borrowings	3,60,44,188	2,84,18,532
Less: Cash and cash equivalents	-	-
Adjusted net debt	**3,60,44,188**	**2,84,18,532**
Total equity	**17,04,06,380**	**39,66,94,938**
Adjusted net debt to equity ratio	**21%**	**7%**

17. Provisions

	As at 31 March 2021		As at 31 March 2020	
	Non-current	Current	Non-current	Current
Employee benefit obligations				
Compensated absences	3,32,338	11,985	3,28,517	39,178
Gratuity	6,60,190	23,432	5,95,408	21,570
	9,92,528	**35,417**	**9,23,925**	**60,748**

(i) ***Defined benefit plan - Gratuity***

The Company provides for gratuity for employee`s 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 an unfunded plan.

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follow:

	As at 31 March 2021	As at 31 March 2020
Present value of obligation as at the beginning of the year	**6,16,978**	**4,29,118**
Current service cost	42,818	72,486
Interest expense	88,673	33,428
Total amount recognised in profit or loss	**1,31,491**	**1,05,914**
Remeasurements		
loss/(gain) from change in financial assumptions	30,435	59,029
Experience (gain)/loss	(10,187)	42,423
Total amount recognised in other comprehensive income	**20,248**	**1,01,452**
Benefit payments	(85,095)	(19,506)
Present value of obligation as at the end of the year	**6,83,622**	**6,16,978**

Significant estimates: actuarial assumptions and sensitivity

The significant actuarial assumptions are as follows:

	As at 31 March 2021	As at 31 March 2020
Discount rate	7.11%	6.94%
Salary growth rate	4.00%	3.50%
Retirement age	60 years	60 years
Withdrawal rates	2.00%	2.00%
Weighted average duration of defined benefit obligation	5 years	5 years

Assumptions regarding future mortality rates are based on Indian Assured Lives Mortality (2006-08) Ultimate as published by Insurance Regulatory and Development Authority (IRDA).

The actuarial valuation is carried out yearly by an independent actuary. The discount rate used for determining the present value of obligation under the defined benefit plan is determined by reference to market yields at the end of the reporting period on Indian Government Bonds. The currency and the term of the government bonds is consistent with the currency and term of the defined benefit obligation.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Year ended 31 March 2021	Year ended 31 March 2020
Discount rate (1% increase)	(82,583)	(68,499)
Discount rate (1% decrease)	1,00,350	83,090
Future salary growth (1% increase)	1,02,578	85,234
Future salary growth (1% decrease)	(85,563)	(71,186)
Attrition movement (1% increase)	35,932	33,498
Attrition movement (1% decrease)	(41,356)	(38,640)

The above sensitivity analysis is based on a 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 methods and types of assumptions used in preparing the sensitivity analysis did not change as compared to the prior period.

(ii) ***Defined contribution plan***

The Company also has certain defined contribution plan. Contributions are made to provident fund and employee state insurance scheme for employees at the specified rate as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has neither further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is Rs 681,618 (31 March 2020: Rs 736,489).

(All amounts are in Indian Rupees, unless otherwise stated)

18. Deferred income

	As at 31 March 2021	As at 31 March 2020
Government grant*	1,62,262	5,22,406
	1,62,262	**5,22,406**
Current portion	1,62,262	3,60,144
Non-current portion		1,62,262
	1,62,262	**5,22,406**

* The Company was awarded with government grant amounting to Rs. 3,000,000 in earlier years and which was conditional upon the investment in plant and machinery for a specified amount of Rs. 35,925,017. The specified amount was invested in plant and machinery since May 2012 and the grant, recognised as deferred income, is being amortised over the useful life of the plant and machinery in proportion in which the related depreciation expense is recognised.

19. Borrowings - non current and current*

	As at 31 March 2021	As at 31 March 2020
Non current		
From bank - secured		
Working capital term loan (refer note 19.1)	75,14,513	-
Total non current borrowings(including current maturities)	75,14,513	-
Less: current maturity of non current borrowings	34,72,234	-
Less: Interest accrued but not due on borrowings	47,925	-
	39,94,354	**-**
Current		
From bank - secured		
Cash credit repayable on demand (refer note 19.2)	2,85,29,675	2,84,18,532
	2,85,29,675	**2,84,18,532**

Note 19.1

a) term and condition of outstanding borrowing

Particulars	**CECL***	**GECL***	**Interest accrued but not due**	**Total**
Principal amount				
As at 31 March 2021	21,66,588	53,00,000	47,925	75,14,513
As at 31 March 2020	-	-	-	-
Year of maturity	2022-23	2024-25		
Term of Payment	monthly basis	monthly basis		
Rate of Interest	7.40%	7.40%		

*Working Capital term loan, includes Covid 19 Emergency Credit Line (CECL) of Rs 2,166,588 (31 March 2020: Rs Nil) sanctioned and disbursed on 6 May 2020 and Guaranteed Emergency Credit Line (GECL) of Rs 5,300,000/- (31 March 20: Rs Nil) sanctioned and disbursed on 11 June 2020. Both loans are sanctioned under Government of India Emergency Credit Line Scheme by State Bank of India SME Branch, Dehradun.

Both CECL and GECL are secured by hypothecation of the Company's entire stock of inventories and receivables and is collaterally charged by movable property, plant and equipment of the Company.

Total tenure of CECL is 24 months, with moratorium of 6 months, wherein interest at 7.40 % p.a is payable for full tenure of 24 months at monthly frequency on closing balance , while principal is repayable in 18 monthly instalments of Rs 166,667/- from November 2020 onwards.
Total tenure of GECL is 48 months, with moratorium of 12 months, wherein interest at 7.40% p.a is payable for full tenure of 48 months at monthly frequency on closing balance, while principal is repayable in 36 monthly instalments of Rs 147,223/- from June 2021 onwards.

Note 19.2

Short term borrowing from bank is primarily secured by hypothecation of the Company's entire stock of inventories and receivables and is collaterally charged by movable property, plant and equipment of the Company. It carries a rate of interest of EBLR + 1.55%. (31 March 2020: EBLR + 1.55%)

Note 19.3

Reconciliation of movement in borrowing to cash flow from financing activity:

Particulars	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year		
-current borrowing	2,84,18,532	2,93,28,678
Total opening balance	**2,84,18,532**	**2,93,28,678**
Cash flow movement		
-Proceeds from non current borrowing	83,00,000	-
-Repayment of non current borrowing	(8,33,412)	-
-Net increase/(decrease) in cash credit facility	1,11,143	(9,10,146)
Balance at the closing of the year		
-Non current borrowing	75,14,513	-
-current borrowing	2,85,29,675	2,84,18,532
-current maturity of non current borrowing	(34,72,234)	-
- Interest accrued but not due on borrowings	(47,925)	-
Total closing balance	**3,25,24,029**	**2,84,18,532**

* Information about the Company's exposure to interest rate and liquidity risks are disclosed in Note 36.

20. Trade payables*

	As at 31 March 2021	As at 31 March 2020
Trade payables to related party	99,435	80,943
Other trade payables		
- total outstanding dues of micro enterprises and small enterprises #	52,61,218	31,71,883
- total outstanding dues of creditors other than micro enterprises and small enterprises	1,36,34,585	1,84,07,123
	1,89,95,238	**2,16,59,949**

* The Company's exposure to currency and liquidity risks related to trade payables is disclosed in Note 36.

The Ministry of Micro, Small and Medium Enterprise has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers, the Entrepreneurs Memorandum Number as allocated after filling of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at the period end has been made in the financial statements based on the information available with the Company as under:

Particulars	**As at 31 March 2021**	**As at 31 March 2020**
The principal amount remaining unpaid to any supplier as on year end;	50,45,122	31,12,006
Interest due thereon remaining unpaid to any suppliers as on year end;	2,16,096	59,877
Payments made to the enterprises beyond appointed day under section 16 of (MSMED act);	-	-
Interest paid in terms of Section 16 (at 3 times of RBI rate) and the amount of delayed payments ;	-	-
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest under specified Act;	1,56,219	-
The amount of interest accrued and remaining unpaid as on year end	2,16,096	59,877
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	-	-

(All amounts are in Indian Rupees, unless otherwise stated)

21. Other financial liabilities - current*

	As at 31 March 2021	As at 31 March 2020
Current maturity of non current borrowings	34,72,234	-
Interest accrued but not due on borrowings	47,925	-
Other deposits	30,000	30,000
	35,50,159	**30,000**

* The Company's exposure to liquidity risks related to other financials liabilities is disclosed in Note 36.

22. Other current liabilities

	As at 31 March 2021	As at 31 March 2020
Statutory Dues**	5,81,390	11,42,37,345
Dues to employees	14,82,970	17,48,100
Others	17,658	2,214
	20,82,018	**11,59,87,659**

** Previous year balance included dividend distribution tax (including interest) of INR 111,995,520 , which was payable on inter corporate deposits given to Eureka Forbes Limited, under section 2(22)(e) of Income Tax Act, 1961. The amount was subsequently paid during the current year . Refer note no 7 & 35

(All amounts are in Indian Rupees, unless otherwise stated)

23. Revenue from operations

	Year ended 31 March 2021	Year ended 31 March 2020
Sale of products		
Manufactured goods	44,85,33,250	46,20,59,723
Traded goods	1,28,636	59,16,945
	44,86,61,886	**46,79,76,668**

Information about major customer

Revenue from one customer which individually constitute more than 99 percent of the company's total revenue is Rs 445,127,686 (previous year revenue from one customer constitute more than 99 percent of the company's total revenue was Rs 466,617,175)

Other operating revenue		
Scrap sales	1,03,393	1,43,187
Government grant	3,60,144	3,60,144
	4,63,537	**5,03,331**
Total revenue from operations	**44,91,25,423**	**46,84,79,999**

24. Other income

	Year ended 31 March 2021	Year ended 31 March 2020
Interest income under the effective interest method	2,22,83,219	68,15,674
Net gain on foreign exchange transactions	35,94,781	24,85,744
Miscellaneous income	2,681	5,250
	2,58,80,681	**93,06,668**

25. Cost of materials consumed

	Year ended 31 March 2021	Year ended 31 March 2020
Inventory of materials at the beginning of the year	5,02,78,197	5,56,60,221
Add: Purchases made during the year	36,39,58,370	34,42,48,579
Less: Inventory of materials at the end of the year	(7,16,63,241)	(5,02,78,197)
Cost of materials consumed	**34,25,73,326**	**34,96,30,603**

26. Changes in inventories of finished goods, traded goods & work in progress

	Year ended 31 March 2021	Year ended 31 March 2020
Opening inventories		
Manufactured goods	1,18,75,819	35,10,756
Work in progress	26,19,262	29,08,728
Traded goods	87,362	10,178
	1,45,82,443	**64,29,662**
Closing inventories		
Manufactured goods	2,26,78,455	1,18,75,819
Work in progress	26,47,999	26,19,262
Traded goods	-	87,362
	2,53,26,454	**1,45,82,443**
(Increase) in inventories	**(1,07,44,011)**	**(81,52,781)**

27. Employee benefits expense

	Year ended 31 March 2021	Year ended 31 March 2020
Salaries, wages and bonus	1,15,59,193	1,34,94,145
Contribution to provident and other funds	6,81,618	7,36,489
Expenses related to post-employment defined benefit plan	1,31,491	1,05,914
Expenses related to compensated absences	30,711	1,00,733
Staff welfare expenses	3,01,467	5,61,013
	1,27,04,480	**1,49,98,294**

(All amounts are in Indian Rupees, unless otherwise stated)

28. Finance costs

	Year ended 31 March 2021	Year ended 31 March 2020
Interest on dividend distribution tax	-	71,63,520
Interest on cash credit limit and term loan	24,07,493	19,41,330
Interest due on delayed payment to MSME vendors	1,56,219	-
Interest on lease liabilities	4,49,068	3,99,268
Interest on income taxes	1,26,257	1,07,118
Other finance charges	2,04,421	2,79,131
	33,43,458	**98,90,367**

29. Depreciation and amortization expense

	Year ended 31 March 2021	Year ended 31 March 2020
Depreciation on property, plant and equipment (refer note 4)	50,95,723	56,45,410
Amortization of intangible assets (refer note 5B)	1,45,745	1,45,745
Depreciation on right-of-use assets	32,65,848	33,11,436
	85,07,316	**91,02,591**

30. Other expenses

	Year ended 31 March 2021	Year ended 31 March 2020
Electricity	19,26,525	24,93,179
Repairs and maintenance		
Building	1,56,442	5,81,425
Plant and machinery	11,17,455	11,12,906
Insurance	9,21,039	8,16,651
Payment to auditors (Refer note 30(a) below)	19,84,450	19,05,900
Printing and stationery	92,375	1,12,225
Communication cost	36,926	53,212
Travel and conveyance	1,445	7,93,294
Legal and professional fees	13,57,578	23,04,740
Rates and taxes	9,41,734	67,958
Material handling expenses	71,80,113	80,76,166
Loss on disposal of property, plant and equipment	21,187	2,00,086
Corporate social responsibility expenses (Refer note 30(b) below)	15,46,000	17,36,000
Miscellaneous expenses	19,36,525	22,50,457
	1,92,19,794	**2,25,04,199**

30(a) Payments to auditors

	Year ended 31 March 2021	Year ended 31 March 2020
a) Statutory audit	13,68,450	12,50,000
b) Tax audit	2,25,000	2,25,000
c) For other services	3,45,750	3,43,785
d) Reimbursement of expenses	45,250	87,115
	19,84,450	**19,05,900**

30(b) Details of corporate social responsibility expenses

	Year ended 31 March 2021	Year ended 31 March 2020
i) Amount required to be spent by the Company during the year	15,46,000	17,36,000
ii) Amount spent during the year (in cash)		
(a) Construction/ acquisition of any asset	-	-
(b) On purpose other than (a) above	15,46,000	17,36,000

(All amounts are in Indian Rupees, unless otherwise stated)

31. Income tax

a) Amounts recognised in profit or loss

	Year ended 31 March 2021	Year ended 31 March 2020
Current tax		
- Current period	2,62,01,247	2,27,61,132
	2,62,01,247	**2,27,61,132**
Deferred tax		
- Origination and reversal of temporary differences-current year	(5,69,293)	2,72,755
	(5,69,293)	**2,72,755**
Total income tax expense	**2,56,31,954**	**2,30,33,887**

b) Income tax recognised in other comprehensive income

	Year ended 31 March 2021			Year ended 31 March 2020		
	Before tax	**Tax (expense) benefit**	**Net of tax**	**Before tax**	**Tax (expense) benefit**	**Net of tax**
Remeasurement of defined benefit liability (asset)	(20,248)	5,096	(15,152)	(1,01,452)	25,533	(75,919)
	(20,248)	**5,096**	**(15,152)**	**(1,01,452)**	**25,533**	**(75,919)**

c) Reconciliation of effective tax rate

	Year ended 31 March 2021		Year ended 31 March 2020	
	%	**Amount**	**%**	**Amount**
Profit before tax		9,93,58,548		7,97,36,210
Tax using the Company's tax rate	25.17%	2,50,06,560	25.17%	2,00,68,010
Effect of :				
Non deductible expense	0.62%	6,13,167	2.64%	21,01,961
Change in temporary differences	0.01%	12,227	1.08%	8,63,916
Effective tax rate	**25.80%**	**2,56,31,954**	**28.89%**	**2,30,33,887**

(All amounts are in Indian Rupees, unless otherwise stated)

32. Earnings per share

The calculations of the profit attributable to equity shareholders and the weighted average number of equity shares outstanding for the purposes of basic and diluted earnings per share calculation are as follows:

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Profit for the year attributable to equity shareholders	7,37,26,594	5,67,02,323
Face value per equity share	10	10
Weighted average number of equity shares used in the calculation of basic and diluted earnings per share (numbers)	70,00,000	70,00,000
Basic and diluted earnings per share	10.53	8.10

33 Leases

The Company's lease asset classes primarily consist of leases for building, for which the lease agreement period is 59 Months. The Company, at the inception of a contract, assesses whether the contract is a lease or not. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. This policy has been applied to contracts existing and entered on or after 1 April 2019.

(A) Right-of-use assets

The Company has presented right-of-use assets that do not meet the definition of Investment property in note no. 5 - right-of-use assets

Particular	Amount
Balance as at 1 April 2019	-
Impact on account of adoption of Ind AS 116	57,99,536
Addition to right-of-use assets	-
Depreciation charged for the year	33,11,436
Balance as on 31 March 2020	**24,88,100**
Balance as at 1 April 2020	24,88,100
Addition to right-of-use assets	1,55,11,730
Depreciation charged for the year	32,65,848
Balance as on 31 March 2021	**1,47,33,982**

(B) Lease liabilities

Particular	Amount
Balance as at 1 April 2019	-
Impact on account of adoption of Ind AS 116	57,99,536
Less: Lease payments made during the year	35,91,231
Add: Interest charged on lease liabilities	3,99,268
Balance as on 31 March 2020	**26,07,573**
Balance as at 1 April 2020	26,07,573
Addition to Lease liabilities	1,55,11,730
Less: Lease payments made during the year	35,91,226
Add: Interest charged on lease liabilities	4,49,068
Balance as on 31 March 2021	**1,49,77,145**
Current	**37,78,589**
Non Current	**1,11,98,556**

(C) Amount recognised in profit & Loss

Particular	Amount
Interest on lease liabilities for the year ended 31 March 2021	4,49,068
Depreciation on right-of-use assets for the year ended 31 March 2021	32,65,848
Rent charged for the year ended 31 March 2021	-

(D) Amount recognised in statement of cash flow

Particular	Amount
Total cash outflow for leases	35,91,226

(E) Maturity analysis of lease liabilities

Maturity Analysis-Contractual undiscounted cash flow	As at 31st March 2021
Less Than one Year	35,91,216
One to Five Years	1,51,42,961
More than Five Years	-
Total	**1,87,34,177**

34. Contingent liabilities

Particulars	As At 31 March 2021	As at 31 March 2020
Claim against the company not acknowledged as debt (see note (i) and (ii) below)		
-Sales tax matters	83,09,893	72,40,207
-Income tax matters	1,44,44,050	1,63,69,829

Notes

(i) Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.

(ii) The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position. The Company does not expect any reimbursements in respect of the above contingent liabilities.

(iii) Pursuant to recent judgement by the Hon'ble Supreme Court dated 28 February 2019, it was held that basic wages, for the purpose of provident fund, to include special allowances which are common for all employees. However, there is uncertainty with respect to the applicability of the judgement and period from which the same applies.

Owing to the aforesaid uncertainty and pending clarification from the authorities in this regard, the Company has not recognised any provision for the previous years. Further, management also believes that the impact of the same on the Company will not be material.

iv) During the year ended 31 March 2021,for few ongoing direct tax assessments, the company has opted for Direct Tax Vivad se Vishwas scheme (VSV scheme).The Direct Tax Vivad se Vishwas Act, 2020 introduced a dispute resolution scheme, which was applicable to all appeals/petitions filed by the taxpayers or the income tax department, which were pending until 31 January 2020, before any appellate forum. The company has paid a liability of Rs 824,003/- under the scheme and recognised the same as an expense to statement of profit and loss.

Infinite Water Solutions Private Limited
Notes to the financial statements for the year ended 31 March 2021
(All amounts are in Indian Rupees, unless otherwise stated)

35. Related Party Disclosures

i) List of related parties and nature of relationship.

Name of Party	**Nature of relationship**
Principal shareholders:	
Eureka Forbes Limited	Holding Company (w.e.f 31 March 2021) and joint venturer till 30 March 2021. Eureka Forbes Limited is a subsidiary of Forbes & Company Limited and the Ultimate holding company is Shapoorji Pallonji and Company Private Limited.
Pentair Global S.ar.L.	Joint venturer till 30 March 2021
Entities controlled by principal shareholders:	
Forbes Facility Services Private Limited	Forbes Facility Services Private Limited is 100% subsidiary of Eureka Forbes Limited
Aquaignis Technologies Private Limited	Aquaignis Technologies Private Limited is 100% subsidiary of Eureka Forbes Limited

ii) Non executive directors
Mr. Ashu Khanna
Mr. Rajagopalan Sambamoorthy
Mr. Suresh Redhu
Mr. Maruthi Krishna Venkata Rao Gudivada (up to 31 March 2021)
Ms. Sanjana Sethi (up to 31 March 2021)

iii) List of related parties and nature of relationship with whom transaction have taken place during current/pervious year

Name of Party	**Nature of relationship**
Eureka Forbes Limited	Holding Company (w.e.f 31 March 2021) and joint venturer till 30 March 2021. Eureka Forbes Limited is a subsidiary of Forbes & Company Limited and the Ultimate holding company is Shapoorji Pallonji and Company Private Limited.
Pentair Global S.ar.L.	Joint venturer till 30 March 2021
Forbes Facility Services Private Limited	Forbes Facility Services Private Limited is 100% subsidiary of Eureka Forbes Limited
Aquaignis Technologies Private Limited	Aquaignis Technologies Private Limited is 100% subsidiary of Eureka Forbes Limited

Particulars	**Transactions during the year ended 31 March 2021**		**Transactions during the year ended 31 March 2020**	
	Principal shareholders	**Entities controlled by principal shareholders**	**Principal shareholders**	**Entities controlled by principal shareholders**
Revenue from operations				
Aquaignis Technologies Private Limited	-	8,59,600	-	8,03,700
Eureka Forbes Limited	44,51,27,686	-	46,66,17,175	-
Electricity charges				
Eureka Forbes Limited	19,26,525	-	24,93,179	-
Staff welfare expense				
Eureka Forbes Limited	-	-	3,332	-
Repairs and maintenance				
Eureka Forbes Limited	53,458	-	14,358	-
Purchase of Consumables Other				
Eureka Forbes Limited	58,686	-	71,945	-
Rent				
Eureka Forbes Limited	35,91,226	-	35,91,228	-
*Interim Dividend paid / adjusted**				
Eureka Forbes Limited	30,00,00,000	-	-	-
Property, plant and equipment				
Eureka Forbes Limited	-	-	1,46,625	-
Inter corporate deposits given				
Eureka Forbes Limited	-	-	30,00,00,000	-
*Repayment of inter corporate deposits given**				
Eureka Forbes Limited	25,00,00,000	-	5,00,00,000	-
*Interest income**				
Eureka Forbes Limited	2,22,83,219	-	67,04,109	-
Miscellaneous expenses				
Forbes Facility Services Private Limited	-	9,06,213	-	8,96,625

iv) Outstanding balances of related parties:

Particulars	**As at 31 March 2021**		**As at 31 March 2020**	
	Principal shareholders	**Entities controlled by principal shareholders**	**Principal shareholders**	**Entities controlled by principal shareholders**
*Trade receivable**				
Aquaignis Technologies Private Limited	-	5,21,088	-	1,74,640
Eureka Forbes Limited	10,44,67,627	-	21,80,66,323	-
Security deposits				
Eureka Forbes Limited	7,48,332	-	7,48,332	-
*Inter corporate deposit**				
Eureka Forbes Limited	-	-	25,00,00,000	-
Interest receivable				
Eureka Forbes Limited	-	-	23,75,753	-
Trade payables				
Eureka Forbes Limited	-		-	
Forbes Facility Services Private Limited	-	99,435	-	80,943

All transactions with these related parties are priced on an arm's length basis . None of the balances are secured.

*During the current year, the Company has declared an interim dividend on 31 March 2021 amounting to Rs 3,000,00,000. This interim dividend payable to Eureka Forbes Limited has been adjusted against the following receivables from Eureka Forbes Limited:
- outstanding inter corporate deposits amounting to Rs 200,000,000 (also refer note 7);
- interest on inter corporate deposit amounting to Rs 20,655,853 (also refer note 7;
- outstanding trade receivables amounting to Rs 79,344,147 (also refer note 11);

(All amounts are in Indian Rupees, unless otherwise stated)

36. Financial Instrument - Fair value and risk management

A. Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financials liabilities, including their levels of in the fair value hierarchy :

As at 31 March 2021

	Carrying amount				Fair value			
	FVOCI - equity instruments	Other financial assets - amortised cost	Other financial liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value								
Investment in equity securities	71,430	-	-	71,430	-	-	71,430	71,430
	71,430	**-**	**-**	**71,430**	**-**	**-**	**71,430**	**71,430**
Financial assets not measured at fair value								
Trade receivables	-	10,49,88,715	-	10,49,88,715	-	-	-	-
Other bank balances	-	45,000	-	45,000	-	-	-	-
Other financial assets	-	7,75,762	-	7,75,762	-	-	-	-
	-	**10,58,09,477**	**-**	**10,58,09,477**	**-**	**-**	**-**	**-**
Financial liabilities not measured at fair value								
Borrowings	-	-	3,25,24,029	3,25,24,029	-	-	-	-
Trade payables	-	-	1,89,95,238	1,89,95,238	-	-	-	-
Lease liabilities	-	-	1,49,77,145	1,49,77,145	-	-	-	-
Other financial liabilities	-	-	35,50,159	35,50,159	-	-	-	-
	-	**-**	**7,00,46,571**	**7,00,46,571**	**-**	**-**	**-**	**-**

The Company has not disclosed the fair values for financial instruments such as trade receivables, inter corporate deposits, cash and cash equivalents, other bank balances, loans, borrowings, lease liabilities, trade payable, other financial assets and financial liabilities, because their carrying amounts are a reasonable approximation of fair value.

As at 31 March 2020

	Carrying amount				Fair value			
	FVOCI - equity instruments	Other financial assets - amortised cost	Other financial liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value								
Investment in equity securities	71,430	-	-	71,430	-	-	71,430	71,430
	71,430	**-**	**-**	**71,430**	**-**	**-**	**71,430**	**71,430**
Financial assets not measured at fair value								
Trade receivables	-	21,84,37,433	-	21,84,37,433	-	-	-	-
Inter corporate deposits to related party		25,00,00,000		25,00,00,000				
Other financial assets	-	31,51,515	-	31,51,515	-	-	-	-
	-	**47,15,88,948**	**-**	**47,15,88,948**	**-**	**-**	**-**	**-**
Financial liabilities not measured at fair value								
Borrowings	-	-	2,84,18,532	2,84,18,532	-	-	-	-
Trade payables	-	-	2,16,59,949	2,16,59,949	-	-	-	-
Lease liabilities			26,07,573	26,07,573				
Other financial liabilities	-	-	30,000	30,000	-	-	-	-
	-	**-**	**5,27,16,054**	**5,27,16,054**	**-**	**-**	**-**	**-**

The Company has not disclosed the fair values for financial instruments such as trade receivables, cash and cash equivalents, other bank balances, loans, borrowings, trade payable, other financial assets and financial liabilities, because their carrying amounts are a reasonable approximation of fair value.

(All amounts are in Indian Rupees, unless otherwise stated)

B. Measurement of fair values

Valuation techniques and significant unobservable inputs

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter relationship between significant unobservable inputs and fair value
Investment in equity securities	In the previous years, Company had invested in 7,143 equity shares of face value of Rs 10 each. The Company has purchased this investment and believes that the difference between fair value and face value of the investment is not significant. Hence the fair value is considered to be similar to the carrying value.		

Reconciliation of Level 3 fair values

The following table shows a reconciliation from the opening balance to the closing balance for the level 3 fair values.

Particulars	Investment in equity securities
Balance as at 1 April 2019	71,430
Purchases during the year	-
Balance as at 31 March 2020	**71,430**
Purchases during the year	-
Balance as at 31 March 2021	**71,430**

(All amounts are in Indian Rupees, unless otherwise stated)

C. Financial risk management

The Company has exposure to the following risks arising from financial instruments :
- Credit risk
- Liquidity risk
- Market risk

i) Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company conducts yearly risk assessment activities to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company has a system in place to ensure risk identification and ongoing and periodic risk assessment is carried out. The Board of directors periodically monitors the risk assessment.

ii) Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in financial loss.

The carrying amounts of financial assets represent the maximum credit risk exposure. The maximum exposure to credit risk at the reporting date was:

Particulars	**As at 31 March 2021**	**As at 31 March 2020**
Trade receivables	10,49,88,715	21,84,37,433
Inter corporate deposits to related party	-	25,00,00,000
Other bank balances	45,000	-
Other financial assets	7,75,762	31,51,515

The maximum exposure to credit risk for trade receivables at the reporting date by geographic region of the Company was:

Particulars	**As at 31 March 2021**	**As at 31 March 2020**
Within India	10,49,88,715	21,84,37,433

The maximum exposure to credit risk for trade receivables, cash and cash equivalents, inter corporate deposits to related party and other bank balances at the reporting date by type of counterparty was:

Particulars	As at 31 March 2021	As at 31 March 2020
Intermediate manufacturer	10,49,88,715	21,84,37,433
Inter corporate deposits to related party	-	25,00,00,000
Bank balances and deposits with banks	45,000	-

Infinite Water Solutions Private Limited
Notes to the financial statements for the year ended 31 March 2021
(All amounts are in Indian Rupees, unless otherwise stated)

Trade receivables

Customer credit risk is managed as per Company's established policy, procedures and control relating to customer credit risk management. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business.

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 to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account historical experience with customers.

Trade receivables are typically unsecured as the Company does not hold collateral as security. Since the Company derives its significant revenue from a related party, the Company is not exposed to significant credit risk.

The age of trade and other receivables at the reporting date was:

Particulars	As at 31 March 2021	As at 31 March 2020
Not due	10,46,39,907	12,30,90,402
0-30 days	1,72,280	4,21,67,153
31-90 days	1,76,528	5,31,79,878
more than 90 days	-	-
	10,49,88,715	**21,84,37,433**

Bank balances and deposits with banks

Credit risk from balances with banks is managed by the company's finance department as per Company's policy. Investment of surplus funds are made only with approved counter parties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's Board of directors. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Inter corporate deposits to related party

Credit risk from inter corporate deposits given to related party is managed by the company's finance department as per Company's policy. Investment of surplus funds are made only with approved counter parties and within credit limits assigned to each counterparty. The board of director also take approvals from shareholders. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's Board of directors. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

iii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

As at 31 March 2021

	Contractual cash flows						
	Carrying amount	**Total**	**6 months or less**	**6-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative financial liabilities							
Borrowings	3,25,24,029	3,25,24,029	2,66,94,260	18,35,415	39,94,354	-	-
Trade payables	1,89,95,238	1,89,95,238	1,89,95,238	-	-	-	-
Lease liabilities	1,49,77,145	1,49,77,145	10,98,824	11,55,220	63,74,425	63,48,676	-
Other financial liabilities	35,50,159	35,50,159	35,50,159	-	-	-	-
	7,00,46,571	**7,00,46,571**	**5,03,38,481**	**29,90,635**	**1,03,68,779**	**63,48,676**	**-**

As at 31 March 2020

	Contractual cash flows						
	Carrying amount	**Total**	**6 months or less**	**6-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative financial liabilities							
Borrowings	2,84,18,532	2,84,18,532	2,84,18,532	-	-	-	-
Trade payables	2,16,59,949	2,16,59,949	2,16,59,949	-	-	-	-
Lease liabilities	26,07,573	26,07,573	26,07,573				
Other financial liabilities	30,000	30,000	30,000	-	-	-	-
	5,27,16,054	**5,27,16,054**	**5,27,16,054**	**-**	**-**	**-**	**-**

(All amounts are in Indian Rupees, unless otherwise stated)

iv) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Market risk is attributable to all market risk sensitive financial instruments including foreign currency payables, deposits with banks and borrowings. The Company is exposed to market risk primarily related to foreign exchange rate risk and interest rate risk.

Foreign currency risk

The Company is exposed to foreign currency risk to the extent that there is a mismatch between the currencies in which purchases are denominated and the functional currency of the company. The functional currency of the Company is Indian Rupees. The Company is primarily exposed to foreign currency fluctuation between the USD and Indian Rupees.

Exposure to foreign currency risk

The summary quantitative data about the Company's exposure to foreign currency risk (based on notional amounts) as reported to the management is as follows:

	As at 31 March 2021			As at 31 March 2020		
Financial liabilities	**Currency**	**Amount in foreign currency**	**Amount in Rupees**	**Currency**	**Amount in foreign currency**	**Amount in Rupees**
Trade payables	USD	1,34,992	98,85,439	USD	64,204	47,98,812
		1,34,992	**98,85,439**		**64,204**	**47,98,812**

Sensitivity analysis

A 10% appreciation of the foreign currency as indicated below, against Indian Rupees would have decreased gain by the amounts shown below:

Particulars	Profit or loss
31 March 2021	
Foreign Currency (10% strengthening)	9,88,544
31 March 2020	
Foreign Currency (10% strengthening)	4,79,881

A 10% depreciation of the foreign currency against Indian Rupees would have had the equal but opposite effect on the above currency to the amounts shown above, on basis that all other variables remain constant.

(All amounts are in Indian Rupees, unless otherwise stated)

Interest risk

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments was as follows

	As at 31 March 2021	As at 31 March 2020
Fixed rate instruments		
Financial assets		
Deposit with banks/other	45,000	-
Inter corporate deposits to related party	-	25,00,00,000
	45,000	**25,00,00,000**
Variable-rate instruments		
Financial liabilities		
Borrowings	3,25,24,029	2,84,18,532
	3,25,24,029	**2,84,18,532**

Cash flow sensitivity analysis for variable-rate instruments

An increase of 100 basis points in interest rates at the reporting date would have decreased gain as at year end by the amounts shown below. This analysis assumes that all other variables remain constant.

Particulars	**Profit or loss**
31 March 2021	
Variable-rate instruments	(3,25,240)
Cash flow sensitivity	**(3,25,240)**
31 March 2020	
Variable-rate instruments	(2,84,185)
Cash flow sensitivity	**(2,84,185)**

A decrease of 100 basis points in the interest rates at the reporting date would have had equal but opposite effect on the amounts shown above, on the basis that all other variable remain constant.

37. Segment reporting

The Company was set up with the objective of manufacturing reverse osmosis membrane elements and other related water treatment products. This is the only activity performed and is thus also the main source of risks and returns. Accordingly, the Company has a single reportable segment. Further, as the Company does not operate in more than one geographical segment hence the relevant disclosures as per Ind AS 108 are not applicable to the company.

38. Impact of COVID 19 (Global Pandemic)

The manufacturing facility and all offices of the Company got closed on 22 March 2020 on account of curfew in the State of Uttarakhand and countrywide lockdown due to COVID-19. The Company has since obtained required permissions and restarted its partial manufacturing operations from 4 May 2020. In assessing the recoverability of carrying amounts of Company's assets such as trade receivables, inter corporate deposits, inventories, property, plant and equipment, etc. and as part of its assessment relating to the going concern, the Company has considered various internal and external information up to the date of approval of these financial statements and concluded that they are recoverable after consideration of the present conditions and long term business projections. The Company does not anticipate any impairment of financial and non- financial assets nor an impact on its assessment relating to validity of the going concern assumption. The Company also does not have a significant exposure to the credit risk as majority of the its trade receivables are due from its parent company. Also, the Company has sufficient lines of credit sanctioned by its bankers and also has ability to borrow, if required in future depending upon performance of business. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

As per our report of even date attached

For **B S R & Associates LLP**
Chartered Accountants
Firm Registration No.: 116231 W/W-100024

For and on behalf of the Board of Directors of
Infinite Water Solutions Private Limited

Gajendra Sharma
Partner
Membership No.: 064440

Rajagopalan Sambamoorthy
Director
DIN: 02706251

Ashu Khanna
Director
DIN: 06693193

Vikas Gaikwad
Company Secretary

Place: Gurugram
Date: 10 June 2021

Place:
Date:

Place:
Date:

Place:
Date:

LIAG TRADING AND INVESTMENTS LIMITED
(a wholly owned subsidiary of Lux International AG)

Financial Statements
For the Year ended December 31, 2020

KPMG AG
Audit
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Independent practitioner's review report to the Board of Directors of

LIAG Trading and Investments Ltd (Dubai)

We have reviewed the accompanying financial information of LIAG Trading and Investments Ltd (Dubai), which comprise the balance sheet as at 31 December 2020, the income statement for the year then ended, and a summary of significant accounting policies of Lux Group and other explanatory information (on pages 5 to 8).

Management's Responsibility for the financial information

Management is responsible for the preparation of this financial information in accordance with the accounting policies of Lux Group as stated in the explanatory information to this financial information, and for such internal control as management determines is necessary to enable the preparation of financial information that is free from material misstatement, whether due to fraud or error.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial information. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400 (Revised), Engagements to Review Historical financial information. ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the financial information, taken as a whole, is not prepared in all material respects in conformity with the applicable accounting policies of Lux Group as stated in the explanatory information to this financial information. This standard also requires us to comply with relevant ethical requirements.

A review of financial information prepared for consolidation purposes in accordance with ISRE 2400 (revised) is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with international standards on auditing. Accordingly, we do not express an audit opinion on this financial information.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that this accompanying financial information as at and for the year ended 31 December 2020 is not prepared, in all material respects, in conformity with the accounting policies of Lux Group as stated in the in the explanatory information to this financial information.

Restriction on Use

This financial information has been prepared for purposes of providing to Lux International AG to enable it to prepare the consolidated financial information of the Lux group. As a result, the financial information is not a completed set of financial information of LIAG Trading and Investments Ltd (Dubai) in accordance with Swiss GAAP FER and is not intend to give a true and fair view, in all material aspects, the balance sheet as at 31 December 2020, and of its financial performances. The financial information may, therefore not be suitable for another purpose and should not be used by parties other than LIAG Trading and Investments Ltd (Dubai), Lux International AG (Switzerland) and Eureka Forbes Limited (India).

KPMG AG

Roman Wenk Yvonne Lingg

Roman Wenk Yvonne Lingg

Zurich, 17 March 2021

Enclosure:

- Financial information (balance sheet, income statement and a summary of significant accounting policies and other explanatory information (on pages 5 to 8))

LIAG Trading & Investments Ltd
Balance Sheet

PARTICULARS	2020 TUSD	2020 INR Lakhs	2019 TUSD	2019 INR Lakhs
Assets				
Cash and bank balances	72	52.53	2	1.42
Cash in transit	-	-	-	-
Restricted Cash in general	-	-	-	-
Marketable securities (short-term)	-	-	-	-
Restricted marketable securities in general	-	-	-	-
Short-term deposits (< 90 days)	-	-	-	-
TOTAL CASH & - EQUIVALENT	**72**	**52.53**	**2**	**1.42**
Total Trade receivables gross	-	-	-	-
Total Other receivables TP gross	-	-	-	-
Less bad debts allowances	-	-	-	-
Total Other receivables TP net	-	-	-	-
Receivables RP gross	-	-	-	-
Less bad debts allowances RP	-	-	-	-
TOTAL RECEIV. NET RP	-	-	-	-
Receivables IC gross	1,480	1,079.79	1,558	1,109.35
Less bad debts allowances IC	-	-	-	-
TOTAL RECEIV. NET IC	**1,480**	**1,079.79**	**1,558**	**1,109.35**
Total Hire Purchase short-term gross	-	-	-	-
Total Short Credits	-	-	-	-
Less provision for unearned Hire-Purchase	-	-	-	-
Less bad debts allowances	-	-	-	-
Refundable Sales Tax	-	-	-	-
TOTAL RECEIVABLES NET	-	-	-	-
TOTAL RECEIVABLES	**1,480**	**1,079.79**	**1,558**	**1,109.35**
Raw Materials	-	-	-	-
Semi finished products	-	-	-	-
Finished products gross	-	-	-	-
Less inventory allowances finished products	-	-	-	-
Demo Units	-	-	-	-
Aeroguard	-	-	-	-
Less inventory allowances Aeroguard	-	-	-	-
Goods in transit	-	-	-	-
Less inventory allowances Others	-	-	-	-
TOTAL INVENTORIES NET	-	-	-	-
Accrued income & Prepaym. TP	-	-	-	-
Accrued income & Prepaym. RP	-	-	-	-
Accrued income & Prepaym. IC	-	-	-	-
TOTAL ACCR. INCOME & PREPAYM.	-	-	-	-
TOTAL CURRENT ASSETS	**1,552**	**1,132.32**	**1,560**	**1,110.77**
Long-term loans TP gross	-	-	-	-
Less Value adj. - Long-term loans TP	-	-	-	-
TOTAL LOANS TP NET	-	-	-	-
Hire Purchase Long-term gross	-	-	-	-
Less Value adj. - hire Purchase Long-term	-	-	-	-
TOTAL HIRE PURCHASE LONG-TERM NET	-	-	-	-
Other investments TP gross	-	-	-	-
Less value-adjustments - Other invest TP	-	-	-	-
OTHER INVESTMENTS TP NET	-	-	-	-
Long-term loans RP gross	-	-	-	-
Less value adj. Long-term loans RP	-	-	-	-
TOTAL LOANS RP NET	-	-	-	-
Long-term loans IC gross	-	-	-	-
Less value adj long-term loans IC	-	-	-	-
TOTAL LONG-TERM LOANS IC NET	-	-	-	-
Investments in companies - IC & RP gross	-	-	-	-
Less value-adjustments - Investments in companies IC & RP	-	-	-	-
TOTAL INVESTMENTS IN COMPANIES IC & RP NET	-	-	-	-
TOTAL FINANCIAL ASSETS	-	-	-	-
TREASURY SHARES	-	-	-	-
Furniture, fixtures & office equipm.	-	-	-	-
Plant & Machinery	-	-	-	-
Plant & Machinery (finance lease)	-	-	-	-

LIAG Trading & Investments Ltd
Balance Sheet

PARTICULARS		2020 TUSD	2020 INR Lakhs	2019 TUSD	2019 INR Lakhs
Motor vehicles		-	-	-	-
Land and Buildings		-	-	-	-
Improvements		-	-	-	-
Leasehold improvements		-	-	-	-
Other equipment		-	-	-	-
TOTAL FIXED TANGIBLE ASSETS		-	-	-	-
Patents, labels and licences		-	-	-	-
Goodwill / Badwill		-	-	-	-
Other intangible assets		-	-	-	-
TOTAL INTANGIBLE ASSETS		-	-	-	-
Deferred tax assets		-	-	-	-
TOTAL NON-CURRENT ASSETS		-	-	-	-
	TOTAL	**1,552**	**1,132.32**	**1,560**	**1,110.77**
Liability & Equity					
Bank overdrafts		-	-	-	-
Bank liabilities - due within 1 year		-	-	-	-
Cash in transit		-	-	-	-
BANK OVERDRAFTS		-	-	-	-
Current liabilities from refinancing		-	-	-	-
Current liabilities accounts external		-	-	-	-
Cur. liab. against public instit./ health insurance		-	-	-	-
Value added tax (VAT) payable		-	-	-	-
Withholding tax payable		-	-	-	-
Social security premiums		-	-	-	-
Income tax liabilities		-	-	-	-
Current liabilities against employees / salesforce		-	-	-	-
Commissions for agents		-	-	-	-
Personnel		-	-	-	-
Other current liabilities TP		-	-	-	-
Advances from customer		-	-	-	-
Current liabilities accounts RP		1,454	1,060.82	1,454	1,035.30
Current liabilities accounts IC		9	6.57	-	-
CURRENT LIABILITIES		**1,463**	**1,067.39**	**1,454**	**1,035.30**
Accrued exp. and prepaid income TP		-	-	-	-
Accrued exp. and prepaid income RP		-	-	-	-
Accrued exp. and prepaid income IC		-	-	-	-
TOTAL ACCRUED EXP. AND PREP. INCOME		-	-	-	-
Provision for restructuring (short-term)		-	-	-	-
Provision for human resource (short-term)		-	-	-	-
Provision for taxes (short-term)		-	-	-	-
Other provision (short-term)		-	-	-	-
TOTAL PROVISIONS (short-term)		-	-	-	-
TOTAL CURRENT LIABILITIES		**1,463**	**1,067.39**	**1,454**	**1,035.30**
Provision for pensions (long-term)		-	-	-	-
Provision for guarantees (long-term)		-	-	-	-
Provision for restructuring (long-term)		-	-	-	-
Provision for human resource (long-term)		-	-	-	-
Provision for taxes (long-term)		-	-	-	-
Other provision (long-term)		-	-	-	-
TOTAL PROVISIONS (long-term)		-	-	-	-
Bank debts (long-term)		-	-	-	-
Other non-current liabilities TP		-	-	-	-
Shareholder loans		-	-	-	-
Finance lease liability (long-term)		-	-	-	-
Long-term loans payable RP		-	-	-	-
Long-term loans payable IC		-	-	-	-
Other long-term liabilities		-	-	-	-
OTHER NON-CURRENT LIABILITIES		-	-	-	-
Deferred tax liabilities		-	-	-	-
TOTAL NON-CURRENT LIABILITIES		-	-	-	-
Share capital		28	18.18	28	18.18
Capital reserves		-		-	

LIAG Trading & Investments Ltd
Profit & Loss Statement

PARTICULARS	2020 TUSD	2020 INR LAKHS	2019 TUSD	2019 INR LAKHS
Gross Sales Products, external	-	-	82	57.36
Sales - Direct Sales - Invoice/short credit - to TP	-	-	82	57.36
Net Sales,External	-	-	**82**	**57.36**
- Net Sales, Sales to Group -> AC03-A	-	-	2,412	1,687.10
Net Sales,Total	-	-	2,494	1,744.46
Landed Cost - external	-	-	(1,573)	(1,100.25)
Cost Direct Sales ex Factory	-	-	(1,573)	(1,100.25)
Gross Profit,External	-	-	(1,491)	(1,042.89)
Landed Cost Sales to Group	-	-	(2,077)	(1,206.57)
Landed Cost Sales to Related parties -> AC03-A	-	-	(1,725)	(1,206.57)
Gross Profit,Internal	-	-	687	480.53
Gross Profit	-	-	687	480.53
ADMINISTRATION				
Administration Staff	-	-		-
Administration, travel exp	-	-		-
TOTAL ADMIN STAFF	-	-	-	-
Consultancy	(3)	(2.22)	(2)	(1.40)
Other Administration expenses	-	-	(14)	(9.79)
TOTAL ADMIN OTHERS	**(3)**	**(2.22)**	**(16)**	**(11.19)**
TOTAL ADMIN EXPENSES	(3)	(2.22)	(16)	(11.19)
Expenses for Services - Group	(36)	(26.68)	(36)	(25.18)
Expenses for Services - Rel. Parties -> AC03-A		-		-
LUX OPERATING RESULT BEFORE CDS	(39)	(28.90)	635	444.16
CREDIT DIRECT SALES (CDS)				
EXTRAORD. OPERATING EXPENSE / INCOME				
Exchange diff. real.	6	4.45	(285)	(199.35)
Exchange diff. unreal.	17	12.60	-	-
Prior period adjustment	-	-	-	-
TOT. EXTRAORD. OPER. EXP./ INC	23	17.05	(285)	(199.35)
LUX OPERATING RESULT II	(16)	(11.85)	350	244.81
Bank fees	(1)	(0.74)	(5)	(3.50)
TOTAL FINANCIAL RESULT	(1)	(0.74)	(5)	(3.50)
LUX RESULT PRE TAX	(17)	(12.59)	345	241.31
LUX NET RESULT	**(17)**	**(12.59)**	**345**	**241.31**

Significant accounting policies of Lux Group and other explanatory information of LIAG Trading and Investments Ltd

Basis of preparation and explanatory information

The financial information of LIAG Trading and Investments Ltd have been prepared for purposes of providing Lux International AG and its subsidiaries (Lux Group) to enable to prepare the consolidated financial information of the group. The consolidated financial statements constitute a true and fair view of the Lux group's financial position and earnings in accordance with Swiss GAAP FER.

As result, the financial information of LIAG Trading and Investments Ltd is not a completed set of financial information of in accordance with Swiss GAAP FER and is not intend to give a true and fair view, in all material aspects, the balance sheet as at 31 December 2020, and its financial performances. The financial information may, therefore not be suitable for another purposes.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, deposits held at call with banks, other short term and highly liquid investments with original maturities of three months or less from the balance sheet date.

Restricted cash and cash equivalents

Restricted cash and cash equivalents includes funds that are not available for on-going operations.

Accounts receivable

Accounts receivable are initially recorded at their nominal value after deduction of hire purchase charges not due. All receivables are value adjusted according to the time they are overdue.

• not due (hire purchase only)	1 %
• overdue up to one month	5 %
• overdue 1 to 2 months	25 %
• overdue 2 to 4 months	50 %
• overdue 4 to 6 months	80 %
• overdue 6 months and more	100 %

In any case, an additional provision for doubtful trade receivables is made if there is impartial evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Indicators that the trade receivable is impaired might be significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, financial reorganisation and default or delinquency in payments. The amount of the provision is recognised in the income statement within Net Credit Direct Sales (CDS) result.

Hire purchase (HP) charges

Charges to the customer arising from sales on credit are only reported as income to the extent that the charges are due. Unearned charges are calculated on an annuity basis over the period of the hire purchase contract.

Loans

The loans are booked at cost less additional provision for doubtful loans if there is impartial evidence that the Group will not be able to collect all amounts due according to the original terms of the loan contracts.

Inventories

Inventories are stated at the lower of cost or net realisable value. Cost is determined using the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.
Value adjustments are applied for obsolete stock. The valuation of obsolete inventories has to be performed on a quarterly basis. The value of inventories is adjusted according to the time they are not moving.

- non-moving for 3 months 25 %
- non-moving for 6 months 50 %
- non-moving for 9 months 75 %
- non-moving for 12 months and more 100 %

Property, plant and equipment

Property, plant and equipment (tangible fixed assets) are capitalised if they can be used during more than one year. Tangible fixed assets are stated at acquisition or construction cost less accumulated depreciation using the straight-line method over the estimated useful lifetime. The following useful lifetimes are generally applied:

- Computer equipment 3 years
- Office machines 3 years
- Tooling and demo kits 5 years
- Vehicles 5 years
- Machines 10 years
- Land and improvement 15 years
- Buildings 20 - 40 years
- Leasehold improvements period of lease

Intangible assets

Patents, licenses and trademarks

Patents, licenses and trademarks are measured initially at cost. Based on reliable cost measurements, intangible assets are recognised on the probability of the future economic benefits as well as proper attribution to the asset. After initial recognition, intangible assets are recognised at cost less accumulated amortisation and any accumulated impairment losses. Patents, licenses and trademarks are amortised on a straight line basis over the best estimate of their useful lives but not exceeding 10 years. The amortisation periods are reviewed annually at each financial year end.

Development costs

Indirect development costs for products are expensed. 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 asset and the ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefits.

Intangible assets

Goodwill

The excess of the cost of an acquisition over the Group's interest in the fair value of the net identi-fiable assets acquired as at the date of the exchange transaction is recorded as goodwill and rec-ognised as an asset in the balance sheet.

When the Group acquires additional interests in a joint venture the excess of the cost of this acqui-sition compared to the book value of the acquired net assets is recognized as goodwill. After initial recognition goodwill is measured at cost less accumulated amortisation and accumulated impair-ment losses.

Goodwill is amortised on a straight line basis over the estimated useful life of 5 years. Any negative goodwill (badwill) resulting from the acquisition of a subsidiary or interest in a joint venture is rec-orded to the income statement in the period of the transaction.

Impairment of assets

The carrying amount of the Group's assets, other than inventories and receivables, are reviewed by Group management at each balance sheet date to determine whether there is any indication of impairment. The review is based on events and signs that point to possible overvaluations in book values. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount.

Impairment losses are recognised in the income statement. The recoverable amount is the higher of the net selling price and value in use. An impairment loss with respect to goodwill is not reversed. In respect to other assets, an impairment loss is – fully or partially - reversed if there has been a change in the estimates used to determine the recoverable amount.

Trade liabilities

Trade liabilities include short-term and non-interest bearing liabilities resulting from ordinary busi-ness activities.

Bank debts

Borrowings are initially recognised at the proceeds received. They are subsequently carried at nor-mal values. Bank debts are classified long term and short term.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

Restructuring provisions are reported in the event of any necessary reorganisation of activity sec-tors or newly acquired subsidiaries. Restructuring provisions comprise i.e. lease termination and employee termination payments.

Taxes

Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount ex-pected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the balance sheet date.

Taxes

Deferred tax

Deferred income tax is provided using the balance sheet liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for SWISS GAAP FER financial reporting purposes. Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible tem-porary differences, and the carry-forward of unused tax credits and unused tax losses can be uti-lised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. A deferred tax liability is recognised for all taxable temporary differences, unless the deferred tax liability arises from goodwill for which amor-tisation is not tax deductible. Non-recoverable withholding taxes are only accrued if a distribution by subsidiary companies is foreseen.

Revenue recognition

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, discounts, VAT, GST, credit notes issued for various schemes and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing effective control over, or managerial involvement with, the goods, and the amount of revenue can be measured reliably.

Sales commission is paid by product suppliers as a contribution to marketing and promotion activ-ities. The billing is done based on supplies affected to the Group at the agreed prices and revenue is recognized net of sales tax and GST. The Income pertaining to commissioning is done based on a monthly basis and revenue is recognized net of tax.

Lease

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the lessee.

Assets held under finance leases are recognised as assets of the Group at their fair value. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Finance costs, which represent the difference between the total leasing commitment and the fair value of the assets acquired, are charged to the profit and loss statement over the term of the relevant lease so as to produce a constant periodic interest charge on the remaining balance of the obligations for each accounting period.

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rentals payable under operating leases are charged to the profit and loss statement as incurred.

Management assumptions and significant estimates

The preparation of financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

LUX DEL PARAGUAY SA
(a subsidiary company of Lux International AG)

Financial Statements
For the Year ended December 31, 2020

BENITEZ CODAS & ASOCIADOS
Corresponsal en el Paraguay de KPMG International Cooperative
KPMG International

Independent Auditors' Report

To the board of Directors
Lux del Paraguay S.A.

Report on the Financial Statements

We have audited the accompanying financial statements of Lux del Paraguay S.A. ("the Company"), which comprise the statement of financial position as at December 31, 2020, and the related statements of income and other comprehensive income, cash flows, and changes in equity for the year then ended, and notes to the financial statements, including significant accounting policies and other explanatory information and Exhibit.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Financial Reporting Standards issued by the Paraguayan Public Accountant Association (Consejo de Contadores Públicos del Paraguay). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing issued by the Paraguayan Public Accountant Association (Consejo de Contadores Públicos del Paraguay). Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Companies' preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Companies' internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the referred financial statements present fairly, in all material respects, the financial position of Lux del Paraguay S.A. and as at December 31, 2020, and the results of their operations and cash flows for the year then ended in accordance with Financial Reporting Standards issued by the Paraguayan Public Accountant Association (Consejo de Contadores Públicos del Paraguay).

Emphasis of Matters

During 2020, the entity has contracted a special accounting review service for the year 2019, whose final report was not provided to us, however, we have been told that the results were mentioned in full in Minute No. 37 dated October 10, 2020. Base on this, we understand that there are no results that may affect the reading of these financial statements.

Other matters

The financial statements of Lux del Paraguay S.A. for the year ended December 31, 2019, were audited by other auditors whose opinion thereon dated February 4, 2020, expressed an unqualified opinion.

Asunción, 08th, 2021
BCA – Benítez Codas & Asociados

Firmado digitalmente por JAVIER ANDRES BENITEZ DUARTE

Javier Benítez Duarte
Partner
License Consejo CPP 528 A
License Colegio CPy C 652

Lux del Paraguay S.A.

Balance Sheet as of December 31, 2020

	Note	Dec 2020		Dec 2019	
		PYG	INR Lakhs	PYG	INR Lakhs
ASSETS					
Current Assets					
Cash and cash equivalents	3	1,23,23,72,282	128.17	59,76,71,750	64.56
Trade receivables - net	4	14,70,22,07,516	1,529.03	19,47,51,37,187	2,103.31
Investments	5	25,00,000	0.26	25,00,000	0.27
Other receivables	6	83,83,80,366	87.20	69,47,66,634	75.02
Inventories	7	5,96,24,21,826	620.07	5,61,06,39,378	605.95
Total Current Assets		**22,73,78,81,990**	**2,364.73**	**26,38,07,14,949**	**2,849.11**
Non - Current Assets					
Cash and cash equivalents	3	30,83,87,860	32.07	10,35,24,850	11.18
Trade receivables - net	4	6,71,92,362	7.00	36,59,81,100	39.53
Other receivables	6	60,36,86,022	62.78	25,63,06,931	27.69
Property Plant and equipments	PPE	1,37,84,10,176	143.35	4,08,26,67,855	440.93
Total Non - Current Assets		**2,35,76,76,420**	**245.20**	**4,80,84,80,736**	**519.33**
TOTAL ASSETS		**25,09,55,58,410**	**2,609.93**	**31,18,91,95,685**	**3,368.44**
LIABILITIES					
Current Liabilities					
Trade Payables	8	8,02,81,36,172	834.93	8,89,76,26,638	960.94
Loans and Borrowings	9	12,38,24,34,000	1,287.78	11,93,60,20,351	1,289.09
Other Payables	10	3,01,12,90,291	313.17	3,00,07,44,870	324.07
Total Current Liabilities		**23,42,18,60,463**	**2,435.88**	**23,83,43,91,859**	**2,574.10**
Non - Current Liabilities					
Loans and Borrowings	9	13,79,25,000	14.34	18,75,78,000	20.26
Other Payables	10	3,87,71,426	4.03	16,05,49,816	17.34
Total Non - Current Liabilities		**17,66,96,426**	**18.37**	**34,81,27,816**	**37.60**
TOTAL LIABILITIES		**23,59,85,56,889**	**2,454.25**	**24,18,25,19,675**	**2,611.70**
EQUITY					
Capital		12,50,00,00,000	1,370.75	12,50,00,00,000	1,370.75
Legal Reserve		63,66,35,104	71.88	63,66,35,104	71.88
Revaluation reserve		50,74,43,101	51.14	50,74,43,101	51.14
Technical revalue		-	-	1,93,21,10,402	208.67
Retained earnings		-8,56,95,12,597	-891.23	-2,62,73,60,651	-283.75
Net result		-3,57,75,64,087	-382.80	-5,94,21,51,946	-647.72
Foreign Currency Translation Reserve			-64.06		-14.23
TOTAL EQUITY		**1,49,70,01,521**	**155.68**	**7,00,66,76,010**	**756.74**
TOTAL LIABILITIES AND EQUITY		**25,09,55,58,410**	**2,609.93**	**31,18,91,95,685**	**3,368.44**
		-	-	-	-

Lux del Paraguay S.A.

Income Statement for the year ended December 31,2020

	Note	Dec 2020 PYG	Dec 2020 INR Lakhs	Dec 2019 PYG	Dec 2019 INR Lakhs
GROSS REVENUES					
Operational Income	11	24,17,76,10,816	2,587.00	35,30,14,94,683	3,847.86
Discounts and returns	11	-2,27,73,65,708	-243.67	-3,29,07,23,560	-358.69
Net Operational Income		**21,90,02,45,108**	**2,343.33**	**32,01,07,71,123**	**3,489.17**
OTHER OPERATING INCOME					
Revenues related to technical services		34,15,78,378	36.55	42,46,98,439	46.29
Interest on overdue payments		5,52,48,406	5.91	5,17,90,710	5.65
Other income on sales		33,86,97,080	36.24	51,09,37,270	55.69
Other operational income		**73,55,23,864**	**78.70**	**98,74,26,419**	**107.63**
Cost of goods sold	12	-6,73,45,06,524	-720.59	-9,64,44,97,795	-1,051.25
GROSS PROFIT		**15,90,12,62,448**	**1,701.44**	**23,35,36,99,747**	**2,545.55**
OPERATING EXPENSES					
Selling Expenses	13	-8,52,40,35,409	-912.07	-12,61,27,86,943	-1,374.79
Administrative expenses	13	-6,54,10,73,834	-699.91	-7,94,65,58,337	-866.18
Collection expenses	13	-3,15,81,39,950	-337.91	-4,15,23,22,162	-452.62
Technical service expenses	13	-1,13,65,48,180	-121.61	-1,64,93,32,332	-179.78
Depreciation and amortization		-32,52,94,462	-34.81	-45,98,84,869	-50.13
Total operating expenses		**-19,68,50,91,835**	**-2,106.31**	**-26,82,08,84,643**	**-2,923.50**
Net Operating Result		**-3,78,38,29,387**	**-404.87**	**-3,46,71,84,896**	**-377.95**
SUNDRY RESULTS					
Result On sale of property,plant and equipment		-16,42,599	-0.18	3,93,45,671	4.29
Other Income - net expenses	14	2,47,53,62,204	264.87	46,28,12,709	50.45
		2,47,37,19,605	**264.69**	**50,21,58,380**	**54.74**
FINANCIAL RESULTS					
Interest Expenses		-11,50,66,102	-12.31	-30,84,17,765	-33.62
Interest loss		-79,39,21,450	-84.95	-1,13,54,28,515	-123.76
Exchange rate difference		-1,35,84,66,753	-145.36	-1,53,32,79,150	-167.13
		-2,26,74,54,305	**-242.62**	**-2,97,71,25,430**	**-324.51**
RESULT FOR THE YEAR BEFORE INCOME TAX		**-3,57,75,64,087**	**-382.80**	**-5,94,21,51,946**	**-647.72**
INCOME TAX		-	-	-	-
NET RESULT		**-3,57,75,64,087**	**-382.80**	**-5,94,21,51,946**	**-647.72**

The appendix and notes 1 to 19 attached integral part of these financial statements

Lux del Paraguay S.A.

Statement of Changes in Equity for the year ended December 31, 2020

In PYG

	Capital	Legal Reserve	Revaluation reserve	Technical Reserve	Retained earnings	Net Result	Total Equity
Balance as of December 31, 2018	5,00,00,00,000	64,34,70,823	45,36,96,072	-	-89,73,29,910	-1,73,68,66,460	3,46,29,70,525
Capitalisation	7,50,00,00,000						7,50,00,00,000
Transfer of Results					-1,73,68,66,460	1,73,68,66,460	-
Legal Reserve		-68,35,719			68,35,719		-
Technical revalue				1,93,21,10,402			1,93,21,10,402
Revaluation for the year			5,37,47,029				5,37,47,029
Net result						-5,94,21,51,946	###########
Balance as of December 31, 2019	12,50,00,00,000	63,66,35,104	50,74,43,101	1,93,21,10,402	-2,62,73,60,651	-5,94,21,51,946	7,00,66,76,010
Transfer of Results					-5,94,21,51,946	5,94,21,51,946	-
Revaluation reversal on sale of fixed assets				-1,93,21,10,402			###########
Net result						-3,57,75,64,087	###########
Balance as of December 31, 2020	12,50,00,00,000	63,66,35,104	50,74,43,101	-	-8,56,95,12,597	-3,57,75,64,087	1,49,70,01,521
INR lakhs -December 31, 2019	1,370.75	71.88	51.14	208.67	-283.75	-647.72	770.97
Foreign Currency Translation Reserve							-14.23
Total INR lakhs - December 31,2020	1,370.75	71.88	51.14	208.67	-283.75	-647.72	756.74
INR lakhs -December 31, 2020	1,370.75	71.88	51.14	-	-891.23	-382.80	219.74
Foreign Currency Translation Reserve							-64.06
Total INR lakhs - December 31,2021	1,370.75	71.88	51.14	-	-891.23	-382.80	155.68

Lux del Paraguay S.A.

Cash Flow for the year ended 31 December 2021

		Dec 2020		Dec 2019	
		PYG	INR Lakhs	PYG	INR Lakhs
1	**OPERATING ACTIVITIES**				
	Collections from Customers	27,70,74,87,381	2,881.58	33,99,17,30,473	3,671.11
	Cash Paid to suppliers and employees	-27,91,78,02,603	-2,903.45	-32,09,66,47,649	-3,466.44
	Cash generated by operations	-21,03,15,222	-21.87	1,89,50,82,824	204.67
	Net Cash flows from operating activities	**-21,03,15,222**	**-21.87**	**1,89,50,82,824**	**204.67**
2	**INVESTMENT ACTIVITIES**				
	Acquisition of property, plant and eqiuipment	-24,14,85,954	-25.11	-23,29,89,832	-25.16
	Net Cash flows from investing activities	**-24,14,85,954**	**-25.11**	**-23,29,89,832**	**-25.16**
3	**FINANCING ACTIVITIES**				
	Interest paid	-79,39,21,450	-84.95		-
	Financial expenses	-11,50,66,102	-12.31		-
	Cash from financial loans	3,55,88,19,023	370.12	-2,13,41,92,515	-230.49
	Net Cash flows from financing activities	**2,64,98,31,471**	**272.86**	**-2,13,41,92,515**	**-230.49**
	Effect of exchange rate fluctuations on cash held	-1,35,84,66,753	-141.28	66,65,308	0.72
	Exchange difference on conversion		-0.09		-7.93
4	**Increase in cash and cash equivalents**	**83,95,63,542**	**84.51**	**-46,54,34,215**	**-58.19**
5	**Cash and cash equivalents at the beginning of year**	**70,11,96,600**	**75.73**	**1,16,66,30,815**	**133.93**
6	**Cash and cash equivalents at the end of year**	**1,54,07,60,142**	**160.24**	**70,11,96,600**	**75.74**

The appendix and notes 1 to 19 attached integral part of these financial statements

Lux del Paraguay S.A.

Property, Plant, Equipment and Intangible for the year ended December 31, 2020

In PYG

ITEM	ORIGINAL VALUES				DEPRECIATIONS					Net value as of	
	Beginning Balance	Additions	Disposals	Ending balances	Beginning Balance	Disposals	Of the year		Ending balances	31.12.2020	31.12.2019
							Rate %	Amount			
Fixed Assets Depreciable											
Land	1,50,00,00,000		-1,50,00,00,000	-	-		0%	-	-	-	1,50,00,00,000
Buildings	1,41,63,99,856		-1,41,63,99,856	-	27,39,81,439	-27,39,81,439	3%	-	-	-	1,14,24,18,417
Furniture and Equipments	2,05,12,64,573	12,66,87,318		2,17,79,51,891	1,73,82,41,786	-2,19,69,246	20%	8,95,18,119	1,80,57,90,659	37,21,61,232	31,30,22,787
Tools and supplies	16,83,87,256	1,43,62,273		18,27,49,529	13,13,86,779		25%	1,53,48,869	14,67,35,648	3,60,13,881	3,70,00,477
Vehicles	3,56,07,65,682	8,00,00,000		3,64,07,65,682	2,89,29,53,345		20%	21,24,02,303	3,10,53,55,648	53,54,10,034	66,78,12,337
Improvements in foreign properties	2,33,78,887	2,04,36,363		4,38,15,250	12,37,778		10%	80,25,171	92,62,949	3,45,52,301	2,21,41,109
Sub total	**8,72,01,96,254**	**24,14,85,954**	**-2,91,63,99,856**	**6,04,52,82,352**	**5,03,78,01,127**	**-29,59,50,685**		**32,52,94,462**	**5,06,71,44,904**	**97,81,37,448**	**3,68,23,95,127**
Intangibles											
Research and development software	49,48,94,678			49,48,94,678	9,46,21,950		20%		9,46,21,950	40,02,72,728	40,02,72,728
Sub total	**49,48,94,678**	**-**	**-**	**49,48,94,678**	**9,46,21,950**	**-**		**-**	**9,46,21,950**	**40,02,72,728**	**40,02,72,728**
Total	**9,21,50,90,932**	**24,14,85,954**	**-2,91,63,99,856**	**6,54,01,77,030**	**5,13,24,23,077**	**-29,59,50,685**		**32,52,94,462**	**5,16,17,66,854**	**1,37,84,10,176**	**4,08,26,67,855**

INR Lakhs

ITEM	ORIGINAL VALUES				DEPRECIATIONS					Net value as of	
	Beginning Balance	Additions	Disposals	Ending balances	Beginning Balance	Disposals	Of the year		Ending balances	31.12.2020	31.12.2019
							Rate %	Amount			
Fixed Assets Depreciable											
Land	162.00	-	-162.00	-	-	-	0%	-	-	-	162.00
Buildings	152.97	-	-152.97	-	29.59	-29.59	3%	-	-	-	123.38
Furniture and Equipments	221.54	13.68	-	235.22	187.73	-2.37	20%	9.58	194.94	40.28	33.81
Tools and supplies	18.19	1.55	-	19.74	14.19	-	25%	1.64	15.83	3.91	4.00
Vehicles	384.56	8.64	-	393.20	312.44	-	20%	22.73	335.17	58.03	72.12
Improvements in foreign properties	2.52	2.21	-	4.73	0.13	-	10%	0.86	0.99	3.74	2.39
Sub total	**941.78**	**26.08**	**-314.97**	**652.89**	**544.08**	**-31.96**		**34.81**	**546.93**	**105.96**	**397.70**
Intangibles											
Research and development software	53.45			53.45	10.22		20%		10.22	43.23	43.23
Sub total	**53.45**	**-**	**-**	**53.45**	**10.22**	**-**		**-**	**10.22**	**43.23**	**43.23**
Total	**995.23**	**26.08**	**-314.97**	**706.34**	**554.30**	**-31.96**		**34.81**	**557.15**	**149.19**	**440.93**
FCTR										-5.84	-
Net PPE										**143.35**	**440.93**

Notes to the Financial Statements as of December 31,2020

Note 1 – Basic information about the company

The Company was originally incorporated under the name of Electrolux del Paraguay S.A. by Public Deed dated August 16, 1974, executed before Ramón Berdejo, notary public, which states the purpose of the Company, its capital stock, domicile, form of administration and other legal circumstances. It obtained its legal status according to Decree No. 9,612 of the Executive Power of the Nation dated October 7, 1974 and was registered in the Public Registry of Commerce under No. 531 on page 28 and following pages of the respective sectional book.

The bylaws of Lux del Paraguay S.A. had several modifications in its corporate name, capital increase and issuance of shares, according to Public Deeds No. 82, 25, 30, 28. 5,11, 51, 4 dated March 9, 1993, September 11, 2001, December 11, 2003, December 31, 2003, April 7, 2004, June 1, 2004, December 27, 2010 and May 5, 2014 respectively.

The last amendment of the bylaws by authorized capital increase to G. 15,000,000,000 was made according to Public Deed No. 188, dated November 12, 2019, folio No. 605 and following, passed before the Notary Public Zunilda Narvaja by Lux del Paraguay S.A., registered in the Public Registry of Commerce and aNotedo under No. 2, folio No. 9 and following, section Contracts, dated December 2, 2019.

Its main purpose is the commercialization in Paraguay of imported household appliances of the Lux brand, such as: Washing Machines, Dryers, Washing Machines, Microwaves, Dishwashers and Vacuum Cleaners, as well as the maintenance and repair support for these machines.

The company closes its economic year on December 31st. These financial statements cover the period from January 1st, 2020 to December 31st, 2020.

Note 2 - Significant accounting policies and practices used

2.1 Basis for the preparation of the financial statements and functional currency

Accounting standards

The financial statements have been prepared in accordance with Financial Reporting Standards issued by the Consejo de Contadores Públicos del Paraguay (Board of Public Accountants of Paraguay).

Some amounts for the year ended December 31, 2019 were reclassified in the balance sheet, income statement and cash flow statement included in these financial statements, in order to present them on a comparable basis with those of the current period.

a) Basis of accounting

The financial statements have been prepared on the historical cost basis of accounting, except for foreign currency and property, plant and equipment, as explained in points b) and g) of this Note, and do not fully recognize the effects of inflation on the Company's equity and financial position, results of operations and cash flows, since price-level restatement is not an accepted accounting practice in Paraguay.

Had a full price-level restatement of the financial statements been applied, differences could have arisen in the presentation of the Company's equity and financial position, results of operations and cash flows as of December 31, 2020 and 2019. According to the general consumer price index published by the Central Bank of Paraguay, inflation for 2020 was 2.2% (2.8% in 2019).

b) Foreign currency

Assets and liabilities denominated in foreign currency are valued at the exchange rates in effect at the balance sheet date, being the exchange rate at December 31, 2020 for assets of G. 6,892 and liabilities of G. 6,942 per U.S. dollar (G. 6,442 per U.S. dollar for assets and liabilities of G. 6,463 at December 31, 2019).

Exchange differences arising from fluctuations in exchange rates between the dates on which transactions are entered into and the dates of settlement or valuation at the closing of the financial statements are recognized in income.

c) Cash concept

For the preparation of the statement of cash flows, cash balances, cash in bank accounts and all highly liquid investments with originally agreed maturities of no more than three months were considered within the concept of cash.

d) Accounts receivable - Allowances for doubtful accounts

Accounts receivable are recorded at their nominal value. The Company's policy for the calculation of allowances for doubtful accounts is based on the criteria established in the "Management Information Manual LIAG" of the parent company.

e) Receivables in collection management - Allowance for receivables in collection management

The Company discloses as receivables in collection management the receivables managed by lawyers and collection management companies for their recovery.
The Company's policy is to establish a 100% allowance for doubtful accounts on receivables in collection.

f) Inventories

Inventories of machinery and spare parts are valued at their acquisition cost, according to the "weighted average" valuation criterion, which is lower than their realizable value.
The Company's policy for the calculation of allowances for obsolescence of spare parts is based on the estimation of items whose last sale has exceeded two years of age.

g) Property, plant, equipment

The property, plant and equipment shown are valued at acquisition cost, net of depreciation and impairment losses when applicable, such assets will be restated when the variation in the general index of consumer prices reaches at least 20% since the year in which the last revaluation adjustment was made.

Depreciation

Depreciation is calculated using fixed percentages over the cost of property, plant and equipment less their residual values, estimated according to the expected useful lives for each category, as of the month following the month of incorporation. Residual values and useful lives are reviewed and, if necessary, adjusted at the end of each period.

Depreciation of these assets is calculated by the straight-line method as from the month following their acquisition, applying a rate sufficient to extinguish their values at the end of their estimated useful lives. Maintenance expenses are charged to income.

h) Intangibles assets

Software licenses are incorporated at their acquisition value and are amortized by the straight-line method over a period of 4 years in accordance with the provisions of the tax laws, starting from the year in production or in use. Beginning in fiscal year 2019. The "Century computer system" software is considered to have an infinite useful life, so it is not amortized and an impairment assessment is performed once a year.

i) Investment

The usufruct title to the facilities of the Yacht and Golf Club Paraguayo is valued at acquisition cost.

j) Trade receivables and other payables

Trade and other payables are stated at amortized cost.

k) Loans and borrowings

Loans and borrowings are stated at amortized cost, with any difference between cost and repayment value recognized in the Statement of Income during the financing period, using effective interest rates.

l) Income tax

Income tax on income for the year comprises current tax and deferred tax. Income tax is recognized in the income statement, unless it relates to items recognized in equity, in which case it is recognized in equity.

Current tax is the tax payable calculated on the taxable amount of income for the year, using the income tax rate in effect at the date of the financial statements of 10%.

Deferred tax is calculated using the balance sheet method, based on the temporary differences between the carrying amounts of assets and liabilities and the amounts used for tax purposes. The amount of deferred tax calculated is based on the expected manner of realization or settlement of the carrying amounts of assets and liabilities, using the tax rate enacted at the date of the financial statements.

A deferred tax asset is recognized only up to the amount that it is probable that future taxable profits will be available against which the asset can be utilized.

m) Concept of capital

The capital to be maintained, for purposes of determining income for the year, has been defined as the financial capital invested at the beginning of the year.

n) Recognition of income and cost

The Company recognizes revenues and expenses incurred on an accrual basis.

o) Use of estimates

The preparation of financial statements in conformity with accounting standards generally accepted in Paraguay requires that in certain specific cases the Company's management make estimates. The main estimates related to the preparation of the accompanying financial statements refer to the amortization of intangible assets and depreciation of property, plant and equipment, allowances for doubtful accounts, collection management, obsolescence and the final result of other contingencies to which it is exposed.

If in the future these estimates, which are based on management's best judgment as of the date of these financial statements, are modified with respect to current circumstances, they will be appropriately modified at the date such changes occur.

Change in accounting estimates during 2020

As of December 31, 2020, as a result of the new measures implemented by the Tax Administration (Sub Secretaría de Estado de Tributación) through Decree N°. 3.182/2019, the determination of the residual value of property, plant and equipment for tax purposes was established. Considering the new information available, the entity adopted the same criterion for the accounting valuation of such assets.

p) Going concern

The Directors have a reasonable expectation that the Company will have sufficient resources to continue operating in the future. For this reason, the going concern basis of accounting has been adopted for the preparation of the Company's financial statements.

Lux del Paraguay S.A.

Notes to the Financial Statements for the year ended December 31, 2020

Note 3 - Cash and cash equivalents

The details of cash and cash equivalents are as follows:

Description	Dec 2020		Dec 2019	
	PYG	INR Lakhs	PYG	INR Lakhs
Cash	29,98,00,115	31.18	28,18,13,300	30.44
Familiar S.A.E.C.A Bank	28,99,99,078	30.16	14,28,67,838	15.43
Continental S.A.E.C.A Bank	23,06,75,317	23.99	-	-
Regional S.A.E.C.A Bank	11,89,14,411	12.37	1,14,74,817	1.24
National de Fomento Bank	9,99,02,350	10.39	1,43,15,020	1.55
Proceeds to be deposited	3,14,40,027	3.27	4,39,44,943	4.75
BBVA S.A. Bank	-	-	2,69,21,592	2.91
Itau S.A.Bank	2,35,35,057	2.45	3,22,66,107	3.48
Regional S.A.E.C.A Bank - EUR	2,20,92,491	2.30	1,46,10,426	1.58
Regional S.A.E.C.A Bank - US$	1,32,63,646	1.38	65,54,878	0.71
Other Banks	67,73,360	0.70	2,29,02,829	2.47
Seized deposits *	9,59,76,430	9.98		-
Total	**1,23,23,72,282**	**128.17**	**59,76,71,750**	**64.56**

(*) The Court Clerk of the Civil and Commercial Court of First Instance of the third shift, Sria. 6 in the proceedings entitled: "Susana Marlene Sanabria De Melgarejo v. Lux Del Paraguay S.A. s/ acción preparatoria de Juicio Ejecutivo, file number 143/2020", communicated on 01/14/01 that by IA No. 1415 dated December 24, 2020, it has been ordered the lifting of executive seizure of account.

Available restricted according to judicial seizures as detailed:

Description	Dec 2020		Dec 2019	
	PYG	INR Lakhs	PYG	INR Lakhs
Case Diego Cuevas	1,08,84,850	1.13	10,35,24,850	11.18
Case Susana Sanabria - Banco Itau S.A	4,79,88,215	4.99		-
Case Susana Sanabria - Banco Regional S.A.E.C.A	4,79,88,215	4.99		-
Case Luis Palma	20,15,26,580	20.96		-
Total	**30,83,87,860**	**32.07**	**10,35,24,850**	**11.18**

Note 4 - Trade Receivables

The detail of the Trade Receivable is as follows:

	Dec 2020		Dec 2019	
Current	PYG	INR Lakhs	PYG	INR Lakhs
Local Trade receivables	15,28,36,77,293	1,589.50	19,68,72,07,735	2,126.22
Related Companies (Note 17)	73,00,00,000	75.92	-	-
Discounted documents	10,00,01,000	10.40	22,48,55,430	24.28
Less: Bad Debt provisions	-43,69,25,978	-45.44	-43,69,25,978	-47.19
Less: Extraordinary iprovisions	-97,45,44,799	-101.35		-
Total	**14,70,22,07,516**	**1,529.03**	**19,47,51,37,187**	**2,103.31**

Non-Current

Clients in recovery process	1,11,29,51,293	115.75	94,54,35,989	102.11
Local trade receivables	19,92,92,562	20.73	36,59,81,100	39.53
Less: Bad Debt provisions for clients in recovery process	-87,13,73,493	-90.62	-94,54,35,989	-102.11
Less: Bad Debt provisions	-37,36,78,000	-38.86		-
Total	**6,71,92,362**	**7.00**	**36,59,81,100**	**39.53**

The following is the evolution of the bad debts provision:

	Dec 2020		Dec 2019	
	PYG	INR Lakhs	PYG	INR Lakhs
Beginning Balances	-1,38,23,61,967	-143.77	-1,32,62,13,801	-143.23
Constitution of bad debts provision	-29,96,15,504	-31.16	-5,61,48,166	-6.06
Constitution of bad debts extraordinary provision	-97,45,44,799	-101.35		-
Closing Balance	**-2,65,65,22,270**	**-276.28**	**-1,38,23,61,967**	**-149.29**

Note 5 - Investments

The detail of Investments is as follows:

Description	Dec 2020		Dec 2019	
	PYG	INR Lakhs	PYG	INR Lakhs
Personal remuneration and social security contribution	25,00,000	0.26	25,00,000	0.27
Total	**25,00,000**	**0.26**	**25,00,000**	**0.27**

Corresponds to membership titles in the Resort Yacht and Golf Club Paraguayo.

Note 6 - Other receivables

The detail of other receivables is as follows :

	Dec 2020		Dec 2019	
Current	PYG	INR Lakhs	PYG	INR Lakhs
Advances to employees	32,02,69,098	33.31	26,64,98,556	28.78
Advances on labor litigation	27,33,70,271	28.43		-
Mutual Loan	14,00,00,000	14.56		-
Deferred Checks	5,93,88,300	6.18	5,93,72,000	6.41
Insurance due	2,27,88,147	2.37	3,26,85,785	3.53
Advance to suppliers		-	1,19,53,656	1.29
Advance to local suppliers		-	15,74,27,272	17.00
loans to employees		-	9,91,14,335	10.70
Sundry accounts receivables	2,25,64,550	2.35	6,77,15,030	7.31
Total	**83,83,80,366**	**87.20**	**69,47,66,634**	**75.02**
Non Current				
Corporate income tax	28,93,66,222	30.09	22,24,55,131	24.03
Mutual Loan	28,00,00,000	29.12	-	-
Returned Checks	3,43,19,800	3.57	3,38,51,800	3.66
Total	**60,36,86,022**	**62.78**	**25,63,06,931**	**27.69**

Note 7 - Inventories

The Detail of inventories is as follows:

Description	Dec 2020		Dec 2019	
	PYG	INR Lakhs	PYG	INR Lakhs
Vacuum Cleaners and pressure washers	1,51,85,92,402	157.93	1,54,89,64,996	167.29
Spare parts and accessories	1,38,51,26,804	144.05	1,54,68,30,915	167.06
Water purifiers	60,69,67,938	63.12	21,63,84,676	23.37
Washing machines	38,69,36,807	40.24	65,73,00,706	70.99
Packaging and product development	17,96,35,302	18.68	-	-
Microwaves	3,72,44,340	3.87	3,39,29,735	3.66
Dryers	3,01,85,163	3.14	26,03,36,974	28.12
Machines in reconditioning	-	-	24,34,47,092	26.29
Samples and awards	-	-	15,02,45,690	16.23
Inventories in transit	2,07,73,48,905	216.04	1,06,68,66,327	115.22
Less: Obsolescense provision	-25,96,15,835	-27.00	-11,36,67,733	-12.28
Total	**5,96,24,21,826**	**620.07**	**5,61,06,39,378**	**605.95**

The following is the evolution of the provision for obsolescence and impairment:

Beginning balance	-11,36,67,733	-11.82	-29,54,32,841	-31.91
Constitution of provisions	-14,59,48,102	-15.18	-	-
Net-Provisions reversal	-	-	18,17,65,108	19.63
Closing balance	**-25,96,15,835**	**-27.00**	**-11,36,67,733**	**-12.28**

Note 8 - Trade Payables

The detail of trade payables is as follows :

	Dec 2020		Dec 2019	
Current	PYG	INR Lakhs	PYG	INR Lakhs
Related companies (Note 17)	7,47,54,38,719	777.45	7,94,26,27,692	857.80
Local suppliers	55,26,97,453	57.48	87,56,95,125	94.58
Foreign Suppliers		-	7,93,03,821	8.56
Total	**8,02,81,36,172**	**834.93**	**8,89,76,26,638**	**960.94**

Note 9 - Loans and Borrowings

The detail of financial debts is as follows :

	Dec 2020		Dec 2019	
Current	PYG	INR Lakhs	PYG	INR Lakhs
Related companies (Note 17) *	12,01,62,29,000	1,249.69	11,47,35,11,250	1,239.14
Continental S.A.E.C.A Bank	21,20,39,379	22.05	-	-
Continental S.A.E.C.A Bank - Discounted documents	10,00,01,000	10.40	22,48,55,430	24.28
Regional S.A.E.C.A Bank	6,62,04,000	6.89	24,57,31,148	26.54
Interest Due	-1,20,39,379	-1.25	-80,77,477	-0.87
Total	**12,38,24,34,000**	**1,287.78**	**11,93,60,20,351**	**1,289.09**
Non Current				
Regional S.A.E.C.A Bank	13,79,25,000	14.34	18,75,78,000	20.26
Total	**13,79,25,000**	**14.34**	**18,75,78,000**	**20.26**

The agreed interest rate is 11% per year during 2020 (between 11% and 12.5% per year during 2019).

(*) Corresponds to loans granted by Lux International AG, amounting to US$ 1,775,000 (INR 1295.02 Lakhs)at an interest rate of 6.50% per year, the principal amount as of 12.31.2020 and 12.31.2019 amounts to Gs. 12,016,229,000 (INR 1249.69 Lakhs) and Gs. 11.473.511.250 (INR 1193.25 Lakhs) respectively

Note 10 - Other Payables

The detail of other payables is as follows :

		Dec 2020		Dec 2019	
Current		**PYG**	**INR Lakhs**	**PYG**	**INR Lakhs**
IPS payable	*	83,08,13,494	86.40	49,88,39,163	53.87
Commission Payable		64,44,12,107	67.02	37,51,86,633	40.52
Accrued expenses payable		45,17,72,226	46.98	16,18,02,294	17.47
Legal Provisions and Indemnities		40,31,56,563	41.93	68,91,41,289	74.43
Remuneration payable		23,64,86,121	24.59	15,95,17,355	17.23
Provision for reconstruction	**	19,77,71,986	20.57	49,30,00,000	53.24
Tax payables		16,02,82,227	16.67	37,20,22,420	40.18
Salaries and fees payable		6,96,49,810	7.24	8,40,14,646	9.07
13th Month salary payable		1,66,05,757	1.73	13,57,69,998	14.66
Advances from customers		3,40,000	0.04	3,14,51,072	3.40
Total		**3,01,12,90,291**	**313.17**	**3,00,07,44,870**	**324.07**
Non Current					
Other debts		3,67,36,893	3.82	15,85,15,283	17.12
Legal Provisions and indemnities		20,34,533	0.21	20,34,533	0.22
Total		**3,87,71,426**	**4.03**	**16,05,49,816**	**17.34**

(*) Corresponds to the balance of the installment of the contribution to be paid to the Instituto de Previsión Social, starting on 10/27/2020 to 04/11/2022, corresponding to 18 consecutive installments.

(**) Includes the provision for personnel dismissal within the framework of the personnel restructuring plan of the Company approved by Board of Directors' Meeting No. 28 dated December 29, 2019.

Lux del Paraguay S.A.

Notes to the Financial Statements for the year ended December 31, 2020

Note 11 - Operational Income

The details of operating income is as follows :

Description	Dec 2020		Dec 2019	
	PYG	INR Lakhs	PYG	INR Lakhs
Vacuum Cleaners and pressure washers	10,27,59,14,008	1,099.52	13,57,97,36,683	1,480.19
Microwaves	5,17,46,02,519	553.68	9,60,89,36,231	1,047.37
Washing Machines	1,99,25,56,069	213.20	2,93,09,70,475	319.48
Water Purifiers	1,43,41,66,969	153.46	1,66,10,21,635	181.05
Spare parts and accessories	1,19,28,01,814	127.63	1,36,67,07,386	148.97
Interest on credit sales	4,10,03,25,801	438.73	6,15,41,22,273	670.80
Others	72,43,636	0.78		-
Total	**24,17,76,10,816**	**2,587.00**	**35,30,14,94,683**	**3,847.86**

The details of returns and discounts are as follows :

Description	Dec 2020		Dec 2019	
	PYG	INR Lakhs	PYG	INR Lakhs
Vacuum Cleaners and pressure washers	-1,05,14,14,415	-112.50	-1,42,21,05,443	-155.01
Microwaves	-37,06,63,618	-39.66	-66,55,81,775	-72.55
Washing Machines	-10,07,99,985	-10.79	-15,88,36,340	-17.31
Water Purifiers	-9,70,42,900	-10.38	-12,87,27,257	-14.03
Spare parts and accessories	-4,90,909	-0.05	-	-
Discounts Granted	-65,69,53,881	-70.29	-91,54,72,745	-99.79
Total	**-2,27,73,65,708**	**-243.67**	**-3,29,07,23,560**	**-358.69**

Note 12 - Cost of goods sold

The detail of cost of goods sold is as follows :

Description	Dec 2020		Dec 2019	
	PYG	INR Lakhs	PYG	INR Lakhs
Vacuum Cleaners and pressure washers	-3,17,40,27,357	-339.62	-4,04,23,22,601	-440.61
Microwaves	-1,99,44,74,411	-213.41	-3,58,07,95,854	-390.31
Washing Machines	-81,69,54,959	-87.41	-1,06,57,64,037	-116.17
Water Purifiers	-47,43,85,538	-50.76	-54,75,98,096	-59.69
Spare parts and accessories	-27,16,64,259	-29.07	-40,80,17,207	-44.47
Others	-30,00,000	-0.32		-
Total	**-6,73,45,06,524**	**-720.59**	**-9,64,44,97,795**	**-1,051.25**

Note 13 - Operating Expenses

The detail of selling expenses is as follows:

Description	Dec 2020		Dec 2019	
	PYG	INR Lakhs	PYG	INR Lakhs
Personal remuneration and social security contribution	3,76,68,94,967	403.06	4,34,63,99,945	473.76
Commissions paid	2,77,31,19,969	296.72	4,30,96,75,681	469.75
Mobility and maintenance	56,28,17,627	60.22	1,46,39,81,635	159.57
Conferences, awards and other social activities	34,90,17,407	37.34	78,53,29,234	85.60
Facilities and refurbishment expenses	29,55,38,726	31.62	51,80,42,775	56.47
Marketing Expenses	29,02,58,940	31.06	1,82,59,428	1.99
Professional fees	19,30,00,633	20.65	5,72,00,000	6.23
Advertising and Publicity	11,42,69,051	12.23	18,95,12,454	20.66
Freight and other transportaion costs	4,07,30,633	4.36	8,67,14,998	9.45
Demonstration expenses	1,87,54,697	2.01	11,65,89,336	12.71
Other sales expenses	10,00,10,462	10.70	67,29,99,582	73.36
Other vehicle expenses	1,96,22,297	2.10	4,80,81,875	5.24
Total	**8,52,40,35,409**	**912.07**	**12,61,27,86,943**	**1,374.79**

The detail of administrative expenses is as follows :

Description	Dec 2020		Dec 2019	
	PYG	INR Lakhs	PYG	INR Lakhs
Personal remuneration and social security contrbution	1,64,87,51,665	176.42	2,55,15,11,759	278.11
Extraordinary Provisions	97,45,44,799	104.28	32,50,00,000	35.43
Remuneration Paid to senior personnel	89,58,93,880	95.86	1,22,69,12,240	133.73
Rents paid	86,96,24,220	93.05	59,64,71,850	65.02
Professional fees	62,93,22,258	67.34	16,60,40,512	18.10
Communications	37,52,40,648	40.15	40,19,19,875	43.81
Taxes Fees and patents	25,49,82,953	27.28	41,50,34,708	45.24
Allowances for obsolescence and inventory write off	14,16,75,274	15.16	35,70,16,115	38.91
Insurance paid	13,63,87,651	14.59	13,14,72,497	14.33
Basic Services	12,78,64,999	13.68	16,80,65,733	18.32
Mobility and Maintenance	8,64,03,016	9.25	33,94,16,093	37.00
Surveillance services	8,53,76,568	9.14	3,16,73,600	3.45
Office supplies and equipment	7,94,39,317	8.50	15,03,46,608	16.39
Bank Charges	6,04,44,070	6.47	9,86,69,502	10.75
Administrative services	2,32,06,331	2.48	23,02,33,614	25.10
Training	1,85,11,286	1.98	8,83,01,919	9.62
Miscelleneous Maintenance	1,79,01,415	1.92	3,67,58,225	4.01
Recruitment expenses		-	40,15,14,718	43.77
Provisions on Rent Guarantee		-	4,00,34,077	4.36
Other Administrative Expenses	11,55,03,484	12.36	19,01,64,692	20.73
Total	**6,54,10,73,834**	**699.91**	**7,94,65,58,337**	**866.18**

Note 13 - Operating Expenses (Continued)

The Detail of collection expenses is as follows:

Description	Dec 2020		Dec 2019	
	PYG	INR Lakhs	PYG	INR Lakhs
Commissions paid	1,34,40,60,744	143.81	2,11,70,27,355	230.76
Personnel remuneration and social security contribution	96,48,51,506	103.24	1,02,02,65,757	111.21
Provisions and write-offs of bad debts	37,36,78,000	39.98	41,78,87,257	45.55
Mobility and maintenance	34,74,11,705	37.17	17,98,44,559	19.60
Collection services	5,84,84,902	6.26	17,44,90,820	19.02
Cusromer services	3,72,08,219	3.98	10,89,50,965	11.88
Conferences, awards and other social activities	2,47,35,000	2.65	4,64,95,718	5.07
Training	65,80,015	0.70	45,82,311	0.50
Professional fees	-	-	7,32,66,671	7.99
Other collection expenses	11,29,859	0.12	95,10,749	1.04
Total	**3,15,81,39,950**	**337.91**	**4,15,23,22,162**	**452.62**

The detail of expenses for technical services is as follows :

Description	Dec 2020		Dec 2019	
	PYG	INR Lakhs	PYG	INR Lakhs
Commissions paid	47,75,46,541	51.10	80,70,74,050	87.97
Personal remuneration and social charges	45,08,83,768	48.24	62,75,89,533	68.41
Mobility and maintenance	17,43,29,588	18.65	11,07,17,120	12.07
Conferences, awards and other social activities	2,27,63,579	2.44	3,34,46,864	3.65
Freight and other transportaion costs	15,54,542	0.17	70,18,193	0.76
Other technical service expenses	94,70,162	1.01	6,34,86,572	6.92
Total	**1,13,65,48,180**	**121.61**	**1,64,93,32,332**	**179.78**

Note 14 - Other income - net expenses

The detail of other income - net expense is as follows :

Description	Dec 2020		Dec 2019	
	PYG	INR Lakhs	PYG	INR Lakhs
Other extraordinary income	2,03,18,69,108	217.41	40,04,29,032	43.65
Recovery of reconditioning expenses	39,91,37,258	42.71		-
recovery of receivables	7,54,12,496	8.07		-
Assessories and spare parts	-	-	6,23,83,677	6.80
Sundry expenses	-3,10,56,658	-3.32		-
Total	**2,47,53,62,204**	**264.87**	**46,28,12,709**	**50.45**

(*) Includes extraordinary income of Gs. 1,932 million (INR 206.72 Lakhs) is the result of the disposal of a land and buildings,which were technically revalued at Gs. 1059 million(INR 113.31 lakhs) and Gs. 872 million (INR 93.30 Lakhs) respectively, according to the report of the appraiser Architect Luis Fernando Movia Zavala dated August 12, 2019.

Note 15 - Income tax

a) Effective rate reconciliation

	Dec 2020		**Dec 2019**	
	PYG	**INR Lakhs**	**PYG**	**INR Lakhs**
Accounting result	-3,57,75,64,087	-382.80	-5,94,21,51,946	-647.69
Effect on current tax				
Plus: other non-deductible expenses	52,53,87,704	56.22	4,00,28,32,608	436.31
Total other non-deductible expenses	**52,53,87,704**	**56.22**	**4,00,28,32,608**	**436.31**
Tax (loss) / gain	**-3,05,21,76,383**	**-326.58**	**-1,93,93,19,338**	**-211.38**
Tax rate	10%	10%	10%	10%
INCOME TAX	-	-	-	-

Lux del Paraguay S.A.

Notes to the Financial Statements for the year ended December 31, 2020

Note 16 - Management of financial risks

Companies are exposed to the following risks associated with the use of financial instruments :

* Credit risk
* Liquidity risk
* Market risk

This note presents information about the company's exposure to each of the above risks, the objectives, policies and procedures for companies to measure and manage risk.

The Board of Directors is responsible for the establishing and monitoring the risk management structure of companies. Management is responsible for developing and monitoring risk management companies and reports regularly to the Board on its activities

The risk management policies are established in order to identify and analyze the risks faced by companies set limits and appropriate risk controls, and to monitor risks and adherence to limits. Policies and risk management systems to reflect changes in market conditions and activities are regularly reviewed.Companies, through its management policies and procedures, aim to develop a disciplined and constructive atmosphere control in which all employees understand their roles and obligations.

16.1 Credit Risk

Credit risk is the risk of financial loss to the companies if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally of accounts receivable.

Management has credit policies that allow this risk monitor continuously and expects proper credit behavior and any breaches are reasonably covered by existing provisions

16.2 Liquidity Risk

Credit risk is the risk of financial loss to the companies if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally of accounts receivable. Liquidity risk is the risk that companies cannot meet its financial obligations as they fall due. The approach of business to managing liquidity is to ensure, as far as possible, that will always have have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the companies

16.3 Market risk

Market risk is the risk that changes in market prices, such as in the exchange rate, variable interest rates and equity prices will affect the income of the companies or the value of financial instruments. The objective of market risk management is to manage and control risk exposures within acceptable parameters, while optimizing the return.

The following is the detail of the currency risk exposure :

	Dec-20			Dec-19		
ASSETS	US$	Euro	PYG	US$	Euro	PYG
Cash and Cash Equivalents	1,925	2,610	3,53,56,137	-	-	2,11,65,304
TOTAL ASSETS	**1,925**	**2,610**	**3,53,56,137**	**-**	**-**	**2,11,65,304**
TOTAL ASSETS - INR Lakhs	**1.40**	**2.34**	**3.68**	**-**	**-**	**2.29**
CURRENT LIABILITIES						
Trade Payables	6,31,449	3,70,560	7,51,01,47,177	8,21,532	3,62,477	8,05,42,51,457
Loans and Borrowings			12,01,62,29,000			
TOTAL CURRENT LIABILITIES	**6,31,449**	**3,70,560**	**19,52,63,76,177**	**8,21,532**	**3,62,477**	**8,05,42,51,457**
TOTAL CURRENT LIABILITIES - INR Lakhs	**460.70**	**331.56**	**2,030.74**	**584.96**	**289.45**	**872.28**
NON CURRENT LIABILITIES						
Loans and Borrowings	17,75,000			17,75,000		11,47,35,11,250
TOTAL NON CURRENT LIABILITIES	**17,75,000**	**-**	**-**	**17,75,000**	**-**	**11,47,35,11,250**
TOTAL NON CURRENT LIABILITIES - INR Lakhs	**1,295.02**	**-**	**-**	**1,263.86**	**-**	**1,242.58**
TOTAL LIABILITIES	**24,06,449**	**3,70,560**	**19,52,63,76,177**	**25,96,532**	**3,62,477**	**19,52,77,62,707**
TOTAL LIABILITIES - INR Lakhs	**1,755.72**	**331.56**	**2,030.74**	**1,848.82**	**289.45**	**2,114.86**
NET POSITION	**-24,04,524**	**-3,67,950**	**-19,49,10,20,040**	**-25,96,532**	**-3,62,477**	**-19,50,65,97,403**
NET POSITION - INR Lakhs	**-1,754.32**	**-329.22**	**-2,027.06**	**-1,848.82**	**-289.45**	**-2,112.57**

Lux del Paraguay S.A.

Notes to the Financial Statements for the year ended December 31, 2020

Note 17 - Balances and transactions with related companies

Note 17.1 – Balances with related companies

	Dec-20			Dec-19		
ASSETS	PYG	US$	Euro	PYG	US$	Euro
Current Assets						
Trade Receivables						
Lux Aqua SA	73,00,00,000			-		
Total	73,00,00,000	-	-	-	-	-
Total INR Lakhs	75.92	-	-	-	-	-
Total Assets	73,00,00,000	-	-	-	-	-
Total Assets INR Lakhs	75.92	-	-	-	-	-
LIABILITIES						
Current Liabilities						
Trade Payables						
Lux International AG	5,66,59,57,930	5,37,227	2,49,570	3,86,44,80,375	4,29,637	1,51,555
LIAG Trading and Investment Ltd - Dubai	1,64,36,85,274	94,222	1,20,990	4,06,05,99,215	3,91,895	2,10,922
Eurolux S.A.S	1,37,45,360	1,980	-	-	-	-
Lux Aqua SA	15,20,50,155	-	-	1,75,48,102	-	-
Total	7,47,54,38,719	6,33,429	3,70,560	7,94,26,27,692	8,21,532	3,62,477
Total INR Lakhs	777.45	462.14	331.56	860.19	584.96	289.45
Loans and borrowings						
Lux International AG	12,01,62,29,000	17,75,000				
Total	12,01,62,29,000	17,75,000	-	-	-	-
Total INR Lakhs	1,249.69	1,295.02	-	-	-	-
Non-Current						
Loans and borrowings						
Lux International AG	-	-	-	11,47,35,11,250	17,75,000	
Total	-	-	-	11,47,35,11,250	17,75,000	-
Total INR Lakhs	-	-	-	1,242.58	1,263.86	-
Total Liabilities	19,49,16,67,719	24,08,429	3,70,560	19,41,61,38,942	25,96,532	3,62,477
Total Liabilities INR Lakhs	2,027.14	1,757.16	331.56	2,102.77	1,848.82	289.45

Lux del Paraguay S.A.

Notes to the Financial Statements for the year ended December 31, 2020

Note 17.2 – Transactions with related companies

	Dec-20			Dec-19		
	PYG	US$	Euro	PYG	US$	Euro
Purchase of Goods						
Lux International AG	4,86,49,18,262	2,25,076	4,25,083	86,67,28,254	1,38,514	-
INR Lakhs	520.55	166.83	363.87	94.47	96.89	-
LIAG Trading and Investment Ltd - Dubai	-	-	-	5,41,93,43,219	5,98,093	2,43,995
INR Lakhs	-	-	-	590.71	418.34	190.76
Lux Aqua SA	12,67,79,364			16,13,04,735		
INR Lakhs	13.57	-	-	17.58	-	-
Interest Paid to						
Lux International AG	12,50,05,475		17,525	28,42,59,119	19,229	27,965
INR Lakhs	13.38	-	15.00	30.98	13.45	21.86
Rents Collected						
Lux Aqua SA	60,00,000					
INR Lakhs	0.64	-	-	-	-	-

Lux del Paraguay S.A.

Notes to the Financial Statements for the year ended December 31, 2020

18.1 Capital

As of December 31, 2020 and 2019, the integrated amounted to Gs. 12.500.000.000 (INR Rs.1,370.75 Lakhs)

At December 31, 2020 the shareholder structure was composed as follows:

Shareholders	Shares	Per Value	Integrated Capital	%	INR Lakhs
Lux International AG	2,000	50,00,000	10,00,00,00,000	80.00%	1,096.60
Rubén Gerardo Ramallo Esmeil	490	50,00,000	2,45,00,00,000	19.60%	268.67
Ricardo Rubén Ramallo González	10	50,00,000	5,00,00,000	0.40%	5.48
Total	**2,500**		**12,50,00,00,000**	**100.00%**	**1,370.75**

18.2 Legal reserves

According to the provisions of Section 91 of the Businessman Act Nº 1034/1983, the Company is required to allocate 5% of its profit for the year to a Legal Reserve until its balance represents 20% of the Capital

18.3 Revaluation reserve

The balance of this item corresponds to the tax revaluation of property, plant and equipment, which was mandatory for tax purposes until December 31, 2019.
During 2020 the balance had no variation due to the entry into force of Law 6,380, which establishes that the revaluation of fixed assets may be mandatory only when the variation of the Consumer Price Index reaches at least 20% accumulated since the fiscal year in which the last revaluation adjustment was made.

The increase in equity resulting from the revaluation will form part of an equity reserve whose only purpose may be capitalization.

18.4 Technical Revalue

The balance as of 2019 corresponds to the restatement to market value of the real estate and buildings corresponding to the office located on Carlos Antonio López Avenue in the city of Asunción, used as a warehouse for the Company's merchandise and spare parts, whose total appraisal value is Gs. 2,607 million, (INR 271.13 Lakhs) according to the report of the appraiser Luis Fernando Movia Zavala dated August 12, 2019

Lux del Paraguay S.A.

Notes to the Financial Statements for the year ended December 31, 2020

Note 19 – Subsequent events

According to the Minutes of the Extraordinary General Shareholders' Meeting held on December 22, 2020, the shareholders approved the financial restructuring of the company and a negotiation with suppliers, in which they stated that according to Article 18 of the Company's Bylaws, the Board of Directors, which is in charge of the management, has the authority to acquire, exchange, pay, assign, etc., all kinds of real and personal property, enter into all contracts or acts that are necessary for the fulfillment of the company's corporate purposes or that are convenient for the company's interests. Therefore, in view of the negative accounting results, it has been decided to carry out a financial restructuring of the entire company, opening a negotiation channel with suppliers.

The importance of maintaining contracts with strategic suppliers is clarified, therefore it is proposed to offer an assignment of the debt in favor of Lux Professional S.A. for a value up to USD. 250,000 (INR 182.40 Lakhs) giving as consideration, an assignment of goods, all this in order to continue with the payment of the debt with LUX INTERNATIONAL AG and its associated companies.

In addition to the above mentioned, it is suggested to sign an agreement with Lux Professional S.A. in order to obtain a mutual loan under an interest rate to be fixed between the parties, so that this firm can make payments and others on behalf of Lux Paraguay S.A.

The detailed measures would be implemented in the fiscal year 2021.

In accordance with minute No. 45/2021 and in conformity with publications in a newspaper of national circulation, it has become known about the intention to sell shares owned by shareholder Ruben Ramallo, the newspaper ABC Color communicates the disposition for the sale of 490 nominative and ordinary shares for a price of Gs. 5,000,000 (INR 52000/-) each at a cash price of Gs. 2,450,000,000 (INR 254.80 Lakhs) . Article 6 - sole paragraph, of the Company's by-laws establishes that the Board of Directors shall set the term for the exercise of the preemptive right by the other shareholders, which in no case shall be less than 30 days, it is resolved to set the term for the exercise of this right by the shareholders who have an interest at 120 days from the last publication of the "Shareholders' Notice".

LUX HUNGARIA KERESKEDELMI. KFT

(a wholly owned Subsidiary Company of Lux International AG)

Financial Statements

For the Year ended December 31, 2020

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Independent Auditors' Report

To the member of Lux Hungária Kft.

Opinion

We have audited the 2020 annual financial statements of Lux Hungária Kft. (hereinafter referred to as "the Company"), which comprise the balance sheet as at 31 December 2020, which shows total assets of THUF 2,371,451 and loss after tax for the year of THUF 42,463, and the income statement for the year then ended, and supplementary notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying annual financial statements give a true and fair view of the financial position of the Company as at 31 December 2020, and of its financial performance for the year then ended in accordance with Act C of 2000 on Accounting in force in Hungary (hereinafter referred to as "the Act on Accounting").

Basis for Opinion

We conducted our audit in accordance with Hungarian National Standards on Auditing and applicable laws and regulations in Hungary. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Annual Financial Statements section of our report. We are independent of the Company for the purposes of our audit of the annual financial statements, as provided in applicable laws in force in Hungary, "The Policy on Rules of Conduct (Ethics) of the Audit Profession and on Disciplinary Procedures" of the Chamber of Hungarian Auditors, as well as with respect to issues not covered by these Rules, with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (the IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the 2020 business report of the Company. Management is responsible for the preparation of the business report in accordance with the Act on Accounting and other applicable legal requirements, if any.
Our opinion on the annual financial statements expressed in the Opinion section of our report does not cover the business report.

In connection with our audit of the annual financial statements, our responsibility is to read the business report and, in doing so, consider whether the business report is materially inconsistent with the annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Based on the Act on Accounting, we are also responsible for assessing whether the business report has been prepared in accordance with the Act on Accounting and other applicable legal requirements and expressing an opinion on this and whether the business report is consistent with the annual financial statements.

In our opinion the 2020 business report of the Company is consistent, in all material respects, with the 2020 annual financial statements of the Company and the applicable provisions of the Act on Accounting.

There are no other legal requirements that are applicable to the business report of the Company, therefore, we do not express an opinion in this respects.

In addition, in light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the business report, and if so, the nature of such misstatement. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Annual Financial Statements

Management is responsible for the preparation and fair presentation of the annual financial statements in accordance with the Act on Accounting, and for such internal control as management determines is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, management is responsible for assessing the Company's ability to continue as a going concern and disclosing, as applicable, matters related to going concern; and, management is responsible for preparing the annual financial statements on a going concern basis. Valuation made by management shall be based on the principle of going concern, unless the use of this principle is precluded by any provision, or if any fact or circumstance prevails, which precludes the Company to continue as a going concern.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Hungarian National Standards on Auditing and applicable laws and regulations in Hungary 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 annual financial statements.

As part of an audit in accordance with Hungarian National Standards on Auditing and applicable laws and regulations in Hungary, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

• Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

• Conclude on the appropriateness of management's use of the going concern basis for the preparation of the annual financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Budapest, 28 May 2021

KPMG Hungária Kft.

Registration number: 000202

Zoltán Varga
Partner, Professional Accountant
Registration number: 007320

This is an English translation of the Independent Auditors' Report on the 2020 annual financial statements of Lux Hungária Kft. issued in Hungarian. If there are any differences, the Hungarian language original prevails. This report should be read in conjunction with the complete set of annual financial statements it refers to.

LUX HUNGARIA KFT.
BALANCE SHEET AS OF 31 DECEMBER 2019 AND 31 DECEBMER 2020
(All Amounts in thousands of HUF except if otherwise indicated)

ASSETS

	Note	31ST DEC 2020 HUF '000	31ST DEC 2020 INR Lakhs	31ST DEC 2019 HUF '000	31ST DEC 2019 INR Lakhs
A. FIXED ASSETS AND INVESTMENTS		**4,65,559**	**1,150.93**	**4,84,091**	**1,193.14**
I. Intangible assets	4	9,667	23.87	11,793	29.09
1 Capitalised costs of foundation and restructuring		-	-		-
2 Capitalised costs of research and development		-	-		-
3 Rights representing money		-	-		-
4 Intellectual property		9,667	23.87	11,793	29.09
5 Goodwill		-	-		-
6 Advances on intangible assets		-	-		-
7 Value adjustment of intangible assets		-	-		-
II. Tangible assets	5	**3,80,892**	**942.86**	**3,97,298**	**983.15**
1 Land and buildings		3,43,838	850.28	3,41,427	844.36
2 Technical equipment, machinery and vehicles					
3 Other equipment and fittings		35,282	88.28	53,644	133.38
4 Breeders					
5 Construction-in-progress		1,772	4.29	2,227	5.41
6 Advances on construction-in-progress					
7 Value adjustment of tangible assets					
III. Financial investments		**75,000**	**184.20**	**75,000**	**180.90**
1 Long-term participation in related companies					
2 Long-term lendings to related companies	6	75,000	184.20	75,000	180.90
3 Other long-term participations					
4 Long-term lendings to other holding companies					
5 Other long-term lendings					
6 Securities representing long-term credit relationships					
7 Value adjustment of financial investments					
B. CURRENT ASSETS		**18,56,328**	**4,556.37**	**19,04,572**	**4,592.91**
I. Inventories		**3,81,429**	**936.79**	**2,93,194**	**707.18**
1 Raw materials	7	2,746	6.74	2,960	7.14
2 Semi-finished goods and work in progress					
3 Livestock					
4 Finished products					
5 Purchased goods	8	3,78,683	930.05	2,90,234	700.04
6 Advances on inventories					
II. Receivables		**14,64,402**	**3,593.80**	**15,99,778**	**3,857.75**
1 Accounts receivable	9	12,98,741	3,189.71	14,00,445	3,377.87
2 Receivables from related companies	10	1,33,771	328.54	1,64,214	396.08
3 Receivables from other holding companies					
4 Bills receivable					
5 Other receivables	11	31,890	75.55	35,119	83.79
III. Securities		-	-	-	-
1 Participations in related companies					
2 Other participations					
3 Own shares, own business shares					
4 Securities for resale representing credit relationship					
IV. Liquid assets		**10,497**	**25.79**	**11,600**	**27.98**
1 Cash and cheques		3,573	8.78	2,156	5.20
2 Bank deposits	12	6,924	17.01	9,444	22.78
C. PREPAYMENTS	13	**49,564**	**121.73**	**26,331**	**63.51**
1 Prepayments on revenues		38,761	95.20	15,455	37.28
2 Prepayments on costs and expenses		10,803	26.53	10,876	26.23
3 Deferred expenses					
TOTAL ASSETS		**23,71,451**	**5,829.03**	**24,14,994**	**5,849.56**

LIABILITIES

	Note	31ST DEC 2020 HUF '000	31ST DEC 2020 INR Lakhs	31ST DEC 2019 HUF '000	31ST DEC 2019 INR Lakhs
D. EQUITY		12,31,076	3,053.18	12,73,540	3,103.10
I. Issued capital of which : repurchased own shares at nominal value		30,000	85.96	30,000	85.96
II. Issued unpaid capital (-)					
III. Share premium		1,23,496	353.87	1,23,496	353.87
IV. Retained earnings		11,20,043	3,218.47	10,09,146	2,953.87
V. Tied-up reserves					
VI. Valuation reserve					
VII. Net profit (loss)		(42,463)	(100.59)	1,10,898	264.60
Foreign Currency Translation Reserve			(504.52)		(555.20)
E. PROVISIONS	15	17,383	42.69	16,546	39.91
1 Provision for contingent liabilities		17,383	42.69	16,546	39.91
2 Provision for future liabilities					
3 Other provisions					
F. LIABILITIES		9,98,750	2,438.83	10,23,762	2,465.23
I. Deferred liabilities		-	-	-	-
1 Deferred liabilities to related companies					
2 Deferred liabilities to other holding companies					
3 Deferred liabilities to other enterprises					
II Long-term liabilities		4,121	10.12	10,578	25.51
1 Long-term borrowings					
2 Convertible bonds					
3 Liabilities from bond issues					
4 Borrowings for capital expenditures and developments					
5 Other long-term borrowings					
6 Long-term liabilities to related companies					
7 Long-term liabilities to other holding companies					
8 Other long-term liabilities	16	4,121	10.12	10,578	25.51
II Current liabilities		9,94,629	2,428.71	10,13,184	2,439.71
1 Short-term borrowings					
out of this: convertible bonds					
2 Short-term credits	17	8,17,467	2,007.70	8,44,883	2,037.86
3 Advances from customers					
4 Accounts payable		10,938	26.86	10,873	26.23
5 Bills payable					
6 Short-term liabilities to related companies	18	4,165	10.23	-	-
7 Short-term liabilities to other holding companies					
8 Other short-term liabilities	19	1,62,059	383.92	1,57,428	375.62
G. ACCRUALS		1,24,242	294.33	1,01,146	241.33
1 Accrued income					
2 Accrued expenses		1,24,242	294.33	1,01,146	241.33
3 Deferred income					
TOTAL EQUITY AND LIABILITIES		23,71,451	5,829.03	24,14,994	5,849.56

Budapest, 28 May 2021

LUX HUNGARIA KFT.
PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019 AND 31 DECEBMER 2020
(All Amounts in thousands of HUF except if otherwise indicated)

			Note	2020		2019	
				HUF '000	INR Lakhs	HUF '000	INR Lakhs
		1. Domestic sales	21	41,77,730	9,897.04	43,78,129	10,446.22
		2. Export sales	22	1,95,881	464.04	2,67,510	638.28
	I.	Total sales		43,73,611	10,361.08	46,45,639	11,084.49
		3. Changes in self-manufactured inventories		-	-	-	-
		4. Capitalised value of self-manufactured assets		-	-	-	-
	II.	Capitalised value of own production		-	-	-	-
	III.	Other income	24	67,212	159.23	23,733	56.63
		out of this: value loss recovered		11,545	27.35	7,787	18.58
		5. Costs of raw material		1,09,877	260.30	1,17,657	280.73
		6. Value of material-type services used	25	17,06,436	4,042.55	17,40,600	4,153.07
		7. Value of other service	26	55,940	132.52	55,346	132.06
		8. Costs of goods sold		15,01,667	3,557.45	14,50,946	3,461.96
		9. Value of services sold (intermediated)	27	-	-	21,936	52.34
	IV.	Material-type expenditures		33,73,920	7,992.82	33,86,485	8,080.16
		10. Wages and salaries		6,74,430	1,597.72	6,88,591	1,642.98
		11. Other payroll related costs		99,793	236.41	1,30,724	311.91
		12. Social security contribution		1,31,214	310.84	1,52,824	364.63
	V.	Payroll and related expenditures	29	9,05,437	2,144.97	9,72,139	2,319.52
	VI.	Depreciation		24,022	56.91	27,544	65.72
	VII.	Other expenses	30	1,56,574	370.92	1,57,715	376.31
		out of this: value loss		8,050	19.07	6,169	14.72
A.	OPERATING RESULT			(19,130)	(45.31)	1,25,489	299.42
		13. Dividends and other benefits received (due)		-	-	-	-
		out of this: from related companies		-	-	-	-
		14. Exchange gain on sale of business shares		-	-	-	-
		out of this: from related companies		-	-	-	-
		15. Interests and exchange gain on fixed assets		-	-	-	-
		out of this: from related companies		-	-	-	-
		16. Other interests interest-related revenues received (due)		5,038	11.94	3,711	8.85
		out of this: from related companies		-	-	-	-
		17. Other revenues of financial transactions		6,700	15.87	8,194	19.55
		out of this: revaluation difference		-	-	-	-
	VIII.	Revenues from financial activities		11,738	27.81	11,905	28.40
		18. Exchange loss on fixed assets		-	-	-	-
		out of this: given to related companies		-	-	-	-
		19. Exchange loss on invested financial assets		-	-	-	-
		out of this: given to related companies		-	-	-	-
		20. Other interests interest related expenses		19,513	46.23	15,784	37.66
		out of this: given to related companies		-	-	-	-
		21. Value loss of business shares, securities and bank deposits		-	-	-	-
		21. Other expenses of financial transactions		15,558	36.86	5,642	13.46
		out of this: revaluation difference		-	-	-	-
	IX.	Total expenses of financial transactions		35,071	83.09	21,426	51.12
B.	INCOME (LOSS) ON FINANCIAL ACTIVITIES			(23,333)	(55.28)	(9,521)	(22.72)
C.	INCOME (LOSS) BEFORE EXTRAORDINARY ACTIVITIES			(42,463)	(100.59)	1,15,968	276.70
	X.	Extraordinary revenues		-	-	-	-
	XI.	Extraordinary expenditures					
D.	NET GAIN (LOSS) ON EXTRA ORDINARY ACTIVITIES			-	-	-	-
C	PROFIT BEFORE TAX			(42,463)	(100.59)	1,15,968	276.70
	XII.	Tax liability	31	-	-	5,070	12.10
D	NET PROFIT (LOSS) FOR PERIOD			(42,463)	(100.59)	1,10,898	264.60

Budapest, 28 May 2021

LUX HUNGÁRIA KFT.

SUPPLEMENTARY NOTES

FOR THE YEAR ENDED 31 DECEMBER 2020

1. INTRODUCTION OF THE COMPANY

Lux Hungária Kft. (hereinafter referred to as the "Company") based at 1145 Budapest, Jávor u. 5/A, is engaged in the following:

Activity	**TEÁOR (activity code)**
Other retail sale not in stores, stalls or markets (core activity)	4799'08
Agents involved in the sale of machinery, industrial equipment, ships and aircraft	4614'08
Agents involved in the sale of furniture, household goods, hardware and ironmongery	4615'08
Wholesale of electrical household appliances	4643'08
Wholesale of electronic and telecommunications equipment and parts	4652'08
Retail sale of electrical household appliances in specialised stores	4754'08
Retail sale of furniture, lighting equipment and other household articles in specialised stores	4759'08
Retail sale via mail order houses or via Internet	4791'08
Warehousing, storage	5210'08
Other activities auxiliary to financial services	6619'08
Leasing and operation of own or leased properties	6820'08
Accounting, audit and tax advisory	6920'08
Renting and leasing of passenger cars	7711'08
Renting and leasing of other machinery, equipment and tangible goods n.e.c.	7739'08
Renting and leasing of other personal and household goods	7729'08
Complex administrative services	8211'08
Activities auxiliary to business services n.e.c.	8299'08
Repair of household appliances and home and garden equipment	9522'08

In its day-to-day activities the Company distributes high-value quality products (primarily cleaning equipment) through its sales agent network (direct selling). As the typical sales method, the customers get to know the products of the Company and the service background on product presentations. About half of the sales agents are Company personnel, while the other half are independent agents who work for the Company based on engagement contracts. The customers of the Company are mainly households; however, industrial use of the products is also frequent. As regards payment methods, to promote sales the Company provides the option to pay by instalments to its customers after payment of deposit.

The Company was established by Electrolux Lehel Hűtőgépgyár Kft. (5100 Jászberény, Fémnyomó u. 1.) on 1 January 1999. The Company launched operations on 7 January 1999. The Company continues the activities of Lux (Hungary) division of Electrolux Lehel Hűtőgépgyár Kft. as an independent legal entity. The Company received its assets from the founder in the form of definitive asset transfer. Previously the assets were used by the division. The Company was registered on 12 January 1999 by the Budapest Court of Registration under the number 01-09-677763/4. Pre-company operations were closed as of the above date.

On 30 September 1999 the founder (Electrolux Lehel Hűtőgépgyár Kft.) sold its 100% interest to AB Lux (Luxbacken 1, Lilla Essingen, S-10545 Stockholm) which is also owned by Electrolux. On 25 November 1999 AB Lux sold its 100% interest to Lux International AG (Blickensdorferstrasse 21B, CH-6340 Baar, Switzerland). This transaction removed the Company from the Electrolux Group. The change in ownership was registered by the Court of Registration on 24 October 2000 effective from 25 November 1999. On 30 September 2009 Lux International AG sold its 100% interest to its subsidiary, Lux (Deutschland) GmbH, then repurchased it on 31 December 2016.

Effective from 1 January 2016 the person authorised to represent the Company is Attila Tigyi (mother's maiden name: Aranka Kerner) resident at 1173 Budapest, Gyergyószentmiklós utca 91. The annual financial statements of the Company are signed by Attila Tigyi managing director.

Person responsible for managing and directing tasks within the scope of bookkeeping services:

Name: Berényi Tiborné
Field: business
Registration number: 144104
Address: 2241 Sülysáp, Szív utca 17.

With reference to Section 155 (2) of Act C of 2000 as amended, the Company must be audited. Auditor of the Company for the year ended 31 December 2020:

KPMG Hungária Kft.
1134 Budapest, Váci út 31.
Chamber of Hungarian Auditors registration no.: 000202
Cg. 01-09-063183

Natural person auditor responsible for the audit:

Zoltán Varga
Audit reg. no.: MKVK-007320

Lux Hungária Kft. is a member of the "Lux Group". The consolidated annual report of the Group is prepared by the owner of the Lux Group, Lux International AG. The owners of the Swiss-registered Lux International AG are private individuals, thus the consolidated annual financial statements of the Group are not public in accordance with local regulations.

2. ACCOUNTING POLICIES

The Company keeps its books and records in accordance with Act C of 2000 on Accounting as amended (hereinafter referred to as "the Act") and with accounting principles generally accepted in Hungary. The accounting policies and valuation methods and procedures of the Company along with the changes to the accounting policies during the year are as follows:

2.1. Basis for accounting

The Act entered into force on 1 January 2001. Both the attached balance sheet, which reflects the position as of 31 December 2019 and 31 December 2020, as well as the income statement for the years ended 31 December 2019 and 31 December 2020 were prepared in accordance with the Act.

2.2. Balance sheet preparation date

The date for preparing the balance sheet is 31 January 2020 for the 2019 annual financial statements and 31 January 2021 for the 2020 annual financial statements.

2.3. Intangible assets

Intangible assets are recognised at purchase or production cost less accumulated amortisation. Amortisation is calculated using the straight-line method, based on rates necessary to write off intangible assets over their expected useful lives. Capitalised value of rights and concessions and intellectual property is written off over 6 years.

2.4. Tangible assets

The Company records tangible assets contributed in kind by the owners at the value established during the valuation less accumulated depreciation. Purchased tangible assets are recognised at purchase cost less accumulated depreciation.

Residual value is assessed for purchased motor vehicles. For other purchased tangible assets the residual value is insignificant.

Tangible assets with an individual purchase cost below THUF 100 are written off upon first use (upon capitalisation) in one amount as ordinary depreciation.

The Company applies straight-line depreciation, taking into consideration the expected useful lives of tangible assets. Expected useful lives are as follows:

	Years
Land and buildings	17
Other equipment, fittings	7
Technical equipment, machinery, vehicles	5

The Company accounts for depreciation on a monthly basis taking the above useful lives into account.

The registered office of the Company located at 1145 Budapest, Jávor u. 5/A is owned by the Company. Considering that based on Decree No. 47/2005. (VII.20.) of the Budapest General Assembly the building is protected, the Company does not book depreciation on the building.

2.5. Inventories

Purchased inventories are recognised either at purchase cost determined using the weighted average price method, or at market value, if the latter is lower than the purchase price.

2.6. Receivables and liabilities denominated in foreign exchange

The Company measures receivables and liabilities denominated in foreign exchange on an aggregate basis as required in the Act on Accounting.

Considering that the Company is typically characterised by imports, it values its receivables and liabilities denominated in FX at the selling rate of Budapest Bank (the Company's bank).

2.7. Type of the balance sheet and the income statement

The Company prepared Version "A" of the balance sheet.
The Company prepared Version "A" income statement using the total-cost method.

2.8. Items exceptional in terms of size or occurrence

In line with the relevant provisions of the Act, items exceeding 2% of net sales revenue accounted for in the financial year are considered exceptional income, costs, expenses in terms of size.

Items that are not closely related to the Company's core activity and are not connected to the regular course of business, that is, which occur rarely, are considered exceptional in terms of occurrence. Exceptional in terms of occurrence refers the frequency of the activity.

3. FINANCIAL POSITION AND LIQUIDITY

The financial position and liquidity of the Company as of 31 December 2019 and 31 December 2020 are presented by the following financial indicators as well as the cash flow statement included in Appendix 1.

Financial indicators:

	31.12.2019	31.12.2020
Liquidity ratio = (current assets / current liabilities)* =	1.7	1.7
Acid test ratio = (current assets less inventories/current liabilities)* =	1.5	1.4
Debtor days to sales revenue = (trade receivables net of VAT/ sales revenue x 365 days) =	87	85
Fixed asset ratio = (fixed assets / balance sheet total) x 100 =	20.0%	19.6%
Current asset ratio = (current assets / balance sheet total) x 100 =	78.9%	78.3%
Ratio of deferred expenses and accrued income = (deferred expenses and accrued income / balance sheet total) x 100 =	1.1%	2.1%
Capital adequacy = (equity / balance sheet total) x 100 =	52.7%	51.9%
Ratio of provisions = (provisions / balance sheet total) x 100 =	0.7%	0.7%
Liabilities ratio = (liabilities / balance sheet total) x 100 =	42.4%	42.1%
Ratio of accrued expenses and deferred income = (accrued expenses and deferred income / balance sheet total) x 100 =	4.2%	5.2%
Debt to equity ratio = (liabilities / equity) x 100 =	80.4%	81.1%
Return on sales = (operating profit or loss / net sales revenue) x 100 =	2.7%	-43.7%

* With deferred and accrued expenses and income.

4. INTANGIBLE ASSETS

Summary of changes to intangible assets for the years ended 31 December 2019 and 31 December 2020:

	Rights and Concessions	INR Lakhs	Intellectual Property	INR Lakhs	Total	INR Lakhs
GROSS VALUE:						
Opening balance						
At 1 January 2019	1,064	2.63	43,283	107.04	44,347	109.67
Increases	-	-	3,728	8.99	3,728	8.99
Decreases	-	-	-	-	-	-
Closing balance						
At 31 December 2019	1,064	2.63	47,011	116	48,075	118.66
Increases	-	-	678	1.67	678	1.67
Decreases	-	-	-	-	-	-
Closing balance						
At 31 December 2020	1,064	2.63	47,689	118	48,753	120.33
ACCUMULATED AMORTISATION:						
Opening balance						
At 1 January 2019	1,064	2.63	32,737	80.96	33,801	83.59
Increases	-	-	2,482	5.99	2,482	5.99
Decreases	-	-	-	-	-	-
Closing balance						
At 31 December 2019	1,064	2.63	35,219	86.95	36,283	89.58
Increases	-	-	2,803	6.88	2,803	6.88
Decreases	-	-	-	-	-	-
Closing balance						
At 31 December 2020	1,064	2.63	38,022	93.83	39,086	96.46
NET VALUE						
At 31 December 2019	-	-	11,792	29.09	11,792	29.09
NET VALUE						
At 31 December 2020	-	-	9,667	23.87	9,667	23.87

LUX HUNGÁRIA KERESKEDELMI KFT.

SUPPLEMENTARY NOTES FOR THE YEAR ENDED 31 DECEMBER 2020

(All figures are in THUF except if otherwise indicated)

Changes to accumulated depreciation

Depreciation of low-value tangible assets is included in the table below from 2019. In 2019 and 2020 tangible assets with an individual purchase value below THUF 100 were written off in one amount. Depreciation of low-value tangible assets totalled THUF 6,998 INR 16.71 Lakhs in 2019 and THUF 7,401 in 2020 INR 18.55 Lakhs

	Land and Buildings		Other equipment, Fittings & vehicles		Technical equipment, Machinery		Assets under construction		Tangible assets with purchase value below THUF 100		Total	
		INR Lakhs		INR Lakhs		INR Lakhs		INR Lakhs		INR Lakhs		INR Lakhs
ACCUMULATED DEPRECIATION :												
Opening balance At 1 January 2019	2,738	6.77	2,20,456	545.19	-	-	-	-	63,327	156.61	2,86,521	708.57
Booked Depreciation	231	0.56	16,526	39.86	-	-	-	-	8,127	19.60	24,884	60.02
Sale and other decreases	-		(9,064)	(21.86)	-	-	-	-	-	-	(9,064)	(21.86)
Closing balance At 31 December 2019	2,969	7.33	2,27,918	563.19	-	-	-	-	71,454	176.21	3,02,341	746.72
Booked Depreciation	246	0.60	13,646	33.51	-	-	-	-	7,327	18.00	21,219	52.11
Reclassifications	-		(26,802)	(65.83)	-	-	-	-	-	-	(26,802)	(65.83)
Closing balance At 31 December 2020	3,215	7.93	2,14,762	530.87	-	-	-	-	78,781	194.21	2,96,758	733.01
NET VALUE At 31 December 2019	3,41,427	844.36	53,644	133.38	-	-	2,227	5.41	-	-	3,97,298	983.15
NET VALUE At 31 December 2020	3,43,838	850.28	35,282	88.28	-	-	1,772	4.29	-	-	3,80,892	942.86

5. TANGIBLE ASSETS

Summary of changes to tangible assets for the years ended 31 December 2019 and 31 December 2020:

Changes to gross value	Land and Buildings	INR Lakhs	Other equipment, Fittings & vehicles	INR Lakhs	Technical equipment, Machinery	INR Lakhs	Assets under construction	INR Lakhs	Tangible assets with purchase value below THUF 100	INR Lakhs	Total	INR Lakhs
GROSS VALUE:												
Opening balance At 1 January 2019	3,44,396	851.69	2,85,884	706.99	-	-	646	1.60	63,327	156.61	6,94,253	1,716.89
Increases	-	-	-	-	-	-	15,586	37.59	-	-	15,586	37.59
Capitalisations	-	-	9,153	22.08	-	-		-	8,127	19.60	17,280	41.68
Sale and other decreases	-	-	(13,475)	(32.50)	-	-	-	-	-	-	(13,475)	(32.50)
Reclassifications	-	-	-	-	-	-	(14,005)	(33.78)	-	-	(14,005)	(33.78)
Closing balance At 31 December 2019	3,44,396	851.69	2,81,562	696.57	-	-	2,227	5.41	71,454	176.21	6,99,639	1,729.88
Increases	-	-	-	-	-	-	11,297	27.75	-	-	11,297	27.75
Capitalisations	2,657	6.53	7,536	18.51	-	-		-	7,327	18.00	17,520	43.03
Sale and other decreases	-	-	(39,054)	(95.92)	-	-	-	-	-	-	(39,054)	(95.92)
Reclassifications	-	-	-	-	-	-	(11,752)	(28.86)	-	-	(11,752)	(28.86)
Closing balance At 31 December 2020	3,47,053	858.22	2,50,044	619.16	-	-	1,772	4.29	78,781	194.21	6,77,650	1,675.87

6. NON-CURRENT LOANS TO RELATED COMPANIES

Composition of non-current loans to related companies as at 31st December 2019 :

	Balance	INR lakhs	Interest %
Lux International AG (parent company)	75,000	180.90	6
	75,000	180.90	

Composition of non-current loans to related companies as at 31st December 2020 :

	Balance	INR lakhs	Interest %
Lux International AG (parent company)	75,000	184.20	6
	75,000	184.20	

7. RAW MATERIALS AND CONSUMABLE GOODS

Composition of raw materials and consumables as of 31 December 2019 and 31 December 2020:

	31.12.2019	INR Lakhs	31.12.2020	INR Lakhs
Servicing materials 1,925 2,991	2,960	7.14	2,746	6.74
Other	-	-	-	-
Total	2,960	7.14	2,746	6.74

8 . GOODS

Composition of goods as of 31 December 2019 and 31 December 2020:

	31.12.2019	INR Lakhs	31.12.2020	INR Lakhs
New goods	2,03,732	491.40	2,64,966	650.76
Goods for presentation purposes	53,604	129.29	60,233	147.93
Servicing goods	64,800	156.30	87,121	213.97
Impairment of inventories	(23,163)	(55.87)	(27,392)	(67.27)
Goods debts	(8,739)	(21.08)	(6,245)	(15.34)
Total	2,90,234	700.04	3,78,683	930.05

Changes to impairment of inventories for the years ended 31 December 2019 and 31 December 2020:

	31.12.2019	INR Lakhs	31.12.2020	INR Lakhs
Opening balance	22,132	53.38	23,163	56.89
Booking of impairment (increase)	1,031	2.49	4,229	10.39
Reversal of impairment (decrease)	-	-	-	-
Closing balance	23,163	55.87	27,392	67.27

The Company booked impairment on inventories the carrying amount of which is higher than the expected recovery. Inventories were assessed for impairment by product group. Impairment is assessed at 25%, 50%, 75% or 100%, as follows:

- 25%: for inventories where sale or use slowed down temporarily;
- 50%: for inventories where sale or use slowed down permanently;
- 75%: for inventories where sale or use will be discontinued soon;
- 100%: for inventories where sale or use was discontinued.

9 . TRADE RECEIVABLES

Composition of trade receivables as of 31 December 2019 and 31 December 2020:

	31.12.2019		31.12.2020	
		INR Lakhs		INR Lakhs
Trade receivables	14,76,089	3,560.33	13,78,890	3,386.55
Impairment of trade receivables	(54,843)	(132.28)	(62,893)	(154.47)
Impairment of trade receivables due to returns	(20,801)	(50.17)	(17,256)	(42.38)
Total	14,00,445	3,377.87	12,98,741	3,189.71

Changes to impairment of trade receivables for the years ended 31 December 2019 and 31 December 2020:

	31.12.2019		31.12.2020	
		INR Lakhs		INR Lakhs
Opening balance	59,752	144.12	54,843	134.69
Booking of impairment (increase)	-	-	8,050	19.77
Reversal of impairment (decrease)	(4,909)	(11.84)		-
Closing balance	54,843	132.28	62,893	154.47

Changes to impairment of trade receivables due to returns expected in the next period for the years ended 31 December 2019 and 31 December 2020:

	31.12.2019		31.12.2020	
		INR Lakhs		INR Lakhs
Opening balance	23,678	57.11	20,801	51.09
Booking of impairment (increase)	-	-	-	-
Reversal of impairment (decrease)	(2,877)	(6.94)	(3,545)	(8.71)
Closing balance	20,801	50.17	17,256	42.38

10. RECEIVABLES FROM RELATED COMPANIES

Composition of receivables from related companies as of 31 December 2019:

Type of receivable	Balance	INR Lakhs	Interest %
Lux International AG (parent company):			
• Trade receivable	1,64,214	396.08	-
Total	1,64,214	396.08	

Composition of receivables from related companies as of 31 December 2020:

Type of receivable	Balance	INR Lakhs	Interest %
Lux International AG (parent company):			
• Trade receivable	1,33,771	328.54	-
Total	1,33,771	328.54	

11. OTHER RECEIVABLES

Composition of other receivables as of 31 December 2019 and 31 December 2020:

	31.12.2019		31.12.2020	
		INR Lakhs		INR Lakhs
Receivables from agents due to missing items or other damage	29,916	71.38	20,584	48.76
Deposits	13,768	32.85	14,989	35.51
Receivables from insurers	15,053	35.92	13,297	31.50
Loans granted	6,333	15.11	8,351	19.78
Company Car Tax	341	0.81	-	-
Corporation tax receivable	-	-	3,289	7.79
Advances to suppliers	7,224	17.24	5,064	12.00
Advances for settlement	1,096	2.62	203	0.48
Business tax	873	2.08	-	-
Building tax	3,572	8.52	786	1.86
Wage advances	372	0.89	333	0.79
Innovation Contribution			448	1.06
Other	6,790	16.20	6,765	16.03
Impairment of other receivables	(50,219)	(119.82)	(42,219)	(100.02)
Total	35,119	83.79	31,890	75.55

Composition of impairment of other receivables as of 31 December 2019 and 31 December 2020:

	31.12.2019		31.12.2020	
		INR Lakhs		INR Lakhs
Impairment for receivables from sales agents	25,827	61.62	17,421	41.27
Impairment for loans granted	3,060	7.30	3,110	7.37
Impairment for receivables from insurers	13,323	31.79	13,360	31.65
Impairment for deposits	3,047	7.27	3,277	7.76
Impairment for payment of corporation tax	-	-	-	-
Impairment for other items	4,962	11.84	5,051	11.97
Total	50,219	119.82	42,219	100.02

12. CASH AND CASH EQUIVALENTS

As of 31 December 2019 and 31 December 2020 the Company had only cash and bank deposits.
Petty cash, cheques were as follows as of 31 December 2019 and 31 December 2020:

	31.12.2019		31.12.2020	
		INR Lakhs		INR Lakhs
Petty Cash	2,434	5.87	3,573	8.78
Technical transfer accounts	(278)	(0.67)	-	-
Total	2,156	5.20	3,573	8.78

Bank deposits were as follows as of 31 December 2019 and 31 December 2020:

	31.12.2019		31.12.2020	
		INR Lakhs		INR Lakhs
Bank accounts	9,164	22.10	6,924	17.01
Technical transfer accounts	280	0.68	-	-
Total	9,444	22.78	6,924	17.01

13. DEFERRED EXPENSES AND ACCRUED INCOME

Composition of accrued income as of 31 December 2019 and 31 December 2020:

	31.12.2019		31.12.2020	
		INR Lakhs		INR Lakhs
Commission income	15,105	36.43	15,175	37.27
Rebate		-	23,261	57.13
Conference room rental	350	0.84	325	0.80
Total	15,455	37.28	38,761	95.20

Composition of prepayments as of 31 December 2019 and 31 December 2020:

	31.12.2019		31.12.2020	
		INR Lakhs		INR Lakhs
Software Subscription fee	5,332	12.86	6,591	16.19
Expert Fees	2,851	6.88	3,265	8.02
Local travel passes	-	-	-	-
Insurance premiums	1,854	4.47	908	2.23
Project advisory services	-	-	-	-
Rentals	839	2.02	39	0.10
Other	-	-	-	-
Total	10,876	26.23	10,803	26.53

14 . EQUITY

Registered capital as of 31 December 2019 and 31 December 2020:

Owner	Total nominal value				Ownership share	
	31.12.2019		31.12.2020		31.12.2019	31.12.2020
		INR Lakhs		INR Lakhs		
Lux International AG	30,000	85.96	30,000	85.96	100%	100%

Changes to equity elements for the years ended 31 December 2019 and 31 December 2020:

	Capital Reserve		Retained Earnings		Allocated Reserve		Profit / Loss After Tax		Total Other Equity	
		INR Lakhs		INR Lakhs		INR Lakhs		INR Lakhs		INR Lakhs
Balance at 1 January 2019	1,23,496	353.87	9,72,720	2,862.55	-	-	36,426	91.32	11,32,642	3,307.74
Transfer of the loss for the year ended 31.12.2018 to retained earnings	-	-	36,426	91.32	-	-	(36,426)	(91.32)	-	-
Profit for the year ended 31.12.2019	-	-	-		-	-	1,10,898	264.60	1,10,898	264.60
Balance at 31 December 2019	1,23,496	353.87	10,09,146	2,953.87	-	-	1,10,898	264.60	12,43,540	3,572.33
Transfer of the profit for the year ended 31.12.2019 to retained earnings	-	-	1,10,898	264.60	-	-	(1,10,898)	(264.60)	-	-
Profit for the year ended 31.12.2019	-	-	-		-	-	(42,463)	(100.59)	(42,463)	(100.59)
Balance at 31 December 2020	1,23,496	353.87	11,20,044	3,218.47	-	-	(42,463)	(100.59)	12,01,077	3,471.74

We propose to transfer the profit after tax to retained earnings.

15. PROVISIONS

Composition of provisions as of 31 December 2019 and 31 December 2020:

	31.12.2019		31.12.2020	
		INR Lakhs		INR Lakhs
Opening balance of provisions for warranty liabilities:	17,413	42.00	16,546	40.64
Use of provisions for warranty liabilities:	(15,283)	(36.86)	(19,845)	(48.74)
Recognition of provisions for warranty liabilities:	14,416	34.77	20,682	50.79
Total	16,546	39.91	17,383	42.69

The Company recognised warranty provisions for expected liabilities in connection with appliances sold. The Company typically sells the appliances with 2 or 5 years of guarantee, and in addition to the volume within the guarantee period and the costs incurred in the reporting year it also takes into account repair costs reimbursed by suppliers.

16. OTHER NON-CURRENT LIABILITIES

Composition of other non-current liabilities as of 31 December 2019 and 31 December 2020:

	31.12.2019		31.12.2020	
		INR Lakhs		INR Lakhs
Liabilities from finance lease	10,578	25.51	4,121	10.12
Total	10,578	25.51	4,121	10.12

17. LOANS

Liabilities to Budapest Bank Zrt. outstanding on 31 December 2019:

Type of loan	Balance	INR Lakhs	Maturity
Drawn HUF overdraft facility	71,883	173.38	20.10.2020
Customer financing revolving loan	6,50,000	1,567.80	21.10.2020
Inventory financing revolving loan	1,23,000	296.68	21.10.2020
	8,44,883	2,037.86	

Liabilities to Budapest Bank Zrt. outstanding on 31 December 2020:

Type of loan	Balance	INR Lakhs	Maturity
Drawn HUF overdraft facility	69,467	170.61	19.10.2021
Customer financing revolving loan	6,50,000	1,596.40	07.05.2021
Inventory financing revolving loan	98,000	240.69	20.10.2021
	8,17,467	2,007.70	

In 2020 and in 2021 the loan agreements were modified to extend the two types of revolving loan for a further year. The above table already shows the maturities of the modified loan agreements known on the balance sheet preparation date.

The Company revalued its receivables and liabilities denominated in foreign exchange on the reporting date.

18. LIABILITIES TO RELATED COMPANIES

Composition of liabilities to related companies as of 31 December 2019 and 31 December 2020:

	31.12.2019		31.12.2020	
		INR Lakhs		INR Lakhs
Trade liabilities:				
Lux International AG	-	-	4,165	10.23
Total	-	-	4,165	10.23

19 . OTHER CURRENT LIABILITIES

Composition of other current liabilities as of 31 December 2019 and 31 December 2020:

	31.12.2019		31.12.2020	
		INR Lakhs		INR Lakhs
Wages	26,381	62.95	26,283	62.26
Liabilities to customers due to overpayment	41,023	97.88	44,067	104.39
Value added tax payable	38,127	90.97	49,973	118.39
Taxes and contributions payable (except for VAT, social security contribution)	15,606	37.24	25,657	60.78
		-		-
Social contribution tax	10,753	25.66	8,235	19.51
Corporation Tax Liability	4,060	9.69	-	-
Innovation contribution liability	3,695	8.82	-	-
Local Business Tax Liability			2,743	6.50
Company Car Tax			589	1.40
Liabilities from finance lease	7,631	18.21	3,006	7.12
Deposits received	220	0.52	220	0.52
Other	9,932	23.70	1,286	3.05
Total	1,57,428	375.62	1,62,059	383.92

20. ACCRUED EXPENSES AND DEFERRED INCOME

Composition of accrued expenses as of 31 December 2019 and 31 December 2020:

	31.12.2019		31.12.2020	
		INR Lakhs		INR Lakhs
Sales agent commissions	48,805	116.45	59,989	142.11
Service commissions	14,400	34.36	15,074	35.71
Expert fees	13,160	31.40	6,483	15.36
Other commissions	8,369	19.97	12,224	28.96
Bonus	8,201	19.57	5,148	12.20
Postal costs	1,066	2.54	1,521	3.60
Telephone costs	2,365	5.64	1,733	4.11
Wage Costs	913	2.18	1,299	3.08
Rental	623	1.49	304	0.72
Interest	-	-	16,618	39.37
Fuel costs	1,701	4.06	664	1.57
Overheads	1,213	2.89	852	2.02
Transporation Cost			1,376	3.26
Bank Charges			650	1.54
Other	330	0.79	307	0.73
Total	1,01,146	241.33	1,24,242	294.33

21. NET DOMESTIC SALES REVENUE

Composition of net domestic sales revenue in the years ended 31 December 2019 and 31 December 2020:

	2019		2020	
		INR Lakhs		INR Lakhs
Sale of goods	43,17,899	10,302.51	41,33,785	9,792.94
Provision of services	60,230	143.71	43,945	104.11
Total	43,78,129	10,446.22	41,77,730	9,897.04

22. NET EXPORT SALES REVENUE

Composition of net export sales revenue in the years ended 31 December 2019 and 31 December 2020:

	2019		2020	
		INR Lakhs		INR Lakhs
Sales in EU countries	15,670	37.39	9,192	21.78
Sales in non-EU countries	2,51,840	600.89	1,86,689	442.27
Total	2,67,510	638.28	1,95,881	464.04

Breakdown of sales in non-EU countries by region:

	2019		2020	
		INR Lakhs		INR Lakhs
Sales in non-EU countries, in Europe	2,51,840	600.89	1,86,689	442.27
Sales in countries in Asia	-	-	-	-
Total	2,51,840	600.89	1,86,689	442.27

Composition of export of services within net export sales revenue in the years ended 31 December 2019 and 31 December 2020:

	2019		2020	
		INR Lakhs		INR Lakhs
Export of services to EU countries	-	-	170	0.40
Export of services to non-EU countries	2,51,817	600.84	1,86,448	441.70
Total	2,51,817	600.84	1,86,618	442.10

Breakdown of sales in non-EU countries by region:

	2019		2020	
		INR Lakhs		INR Lakhs
Export of services to non-EU countries, in Europe	2,51,817	600.84	1,86,448	441.70
Total	2,51,817	600.84	1,86,448	441.70

23. IMPORT PURCHASES

Composition of import of products in the years ended 31 December 2019 and 31 December 2020:

	2019		2020	
		INR Lakhs		INR Lakhs
From EU countries	14,02,430	3,346.20	16,43,873	3,894.34
From non-EU countries	79	0.19	167	0.40
Total	14,02,509	3,346.39	16,44,040	3,894.73

Composition of import of services in the years ended 31 December 2019 and 31 December 2020:

	2019		2020	
		INR Lakhs		INR Lakhs
From non-EU countries	1,49,330	356.30	1,37,133	324.87
From EU countries	14,561	34.74	14,087	33.37
Total	1,63,891	391.04	1,51,220	358.24

24. OTHER INCOME

Composition of other income in the years ended 31 December 2019 and 31 December 2020:

	2019		2020	
		INR Lakhs		INR Lakhs
Rebate	-	-	23,261	55.11
Reversal of impairment for trade receivables	4,909	11.71	-	-
Accounting for expired liabilities	9,424	22.49	10,050	23.81
Income from tangible asset sales	3,600	8.59	17,493	41.44
Impairment of returns	2,878	6.87	3,545	8.40
Payments for credit loss	1,345	3.21	4,600	10.90
Damage compensation	169	0.40	155	0.37
Warranty reimbursement from suppliers	868	2.07	-	-
Reversal of impairment for other receivables		-	8,000	18.95
Other	540	1.29	108	0.26
Total	23,733	56.63	67,212	159.23

25. SERVICES USED

Composition of services used in the years ended 31 December 2019 and 31 December 2020:

	2019		2020	
		INR Lakhs		INR Lakhs
Sale commission	12,61,535	3,010.02	12,64,967	2,996.71
Rentals	68,997	164.63	84,762	200.80
Postal costs	27,947	66.68	33,280	78.84
Maintenance costs	52,715	125.78	46,282	109.64
Expert fees	59,162	141.16	41,143	97.47
Telephone costs	23,516	56.11	19,513	46.23
Fairs, exhibitions	7,317	17.46	3,267	7.74
Advertising costs	5,594	13.35	4,589	10.87
Training costs	14,188	33.85	914	2.17
Travel costs	12,006	28.65	4,292	10.17
Advertising and promotion costs	25,409	60.63	21,694	51.39
Transportation costs	13,738	32.78	17,386	41.19
Name usage fee	1,37,586	328.28	1,34,353	318.28
Costs of accommodation	17,239	41.13	9,727	23.04
Software subscription fees	12,409	29.61	19,005	45.02
Other	1,242	2.96	1,262	2.99
Total	17,40,600	4,153.07	17,06,436	4,042.55

The decrease in services used is primarily attributable to the effects of the coronavirus pandemic. Exhibition costs, training costs, telephone costs as well as travel and accommodation costs fell significantly during the state of emergency.

The auditor charged EUR 21,450 for the audit of the 2020 annual financial statements. It did not perform any other assurance services, tax advisory services or other non-audit services.

26. OTHER SERVICES

Composition of other services in the years ended 31 December 2019 and 31 December 2020:

	2019		2020	
		INR Lakhs		INR Lakhs
Bank charges	42,759	102.02	41,085	97.33
Insurance premiums	7,624	18.19	6,766	16.03
Fees and stamp duties paid to authorities	3,403	8.12	6,643	15.74
Other	1,560	3.72	1,446	3.43
Total	55,346	132.06	55,940	132.52

27. SERVICES SOLD (MEDIATED)

Composition of services sold (mediated) in the years ended 31 December 2019 and 31 December 2020:

	2019		2020	
		INR Lakhs		INR Lakhs
Labour fee and commission for product servicing	21,889	52.23	-	-
Travel Costs	-	-	-	-
Other	47	0.11	-	-
Total	21,936	52.34	-	-

28. BOARD OF DIRECTORS, MANAGEMENT AND SUPERVISORY BOARD

The following payments were made to the members of the Board of Directors, the management and the Supervisory Board of the Company in the years ended 31 December 2019 and 31 December 2020:

	2019		2020		2019		2020	
	Management				Total			
		INR Lakhs		INR Lakhs		INR Lakhs		INR Lakhs
Remuneration	34,948	83.39	45,724	108.32	34,948	83.39	45,724	108.32

No other payment was made to the Board of Directors and the Supervisory Board in 2019 and 2020.

29 . EMPLOYEES

Adjusted average number of employees by staff category in the years ended 31 December 2019 and 31 December 2020:

	2019	2020
Sale	41	37
Manual workers	5	5
Other (administrative)	144	140
Total	190	182

Wage costs, other staff benefits and wage contributions by staff category in the years ended 31 December 2019 and 31 December 2020:

	Wage Cost				Other Staff Benefit				Wage Contributions				Total			
	2019		2020		2019		2020		2019		2020		2019		2020	
Sale	1,25,029	298.32	1,17,082	277.37	85,117	203.09	69,908	165.61	25,165	60.04	20,054	47.51	2,35,311	561.45	2,07,044	490.49
Manual workers	13,625	32.51	14,919	35.34	2,274	5.43	1,344	3.18	2,552	6.09	2,617	6.20	18,451	44.02	18,880	44.73
Other (administrative)	5,49,937	1,312.15	5,42,429	1,285.01	43,333	103.39	28,541	67.61	1,25,107	298.51	1,08,543	257.14	7,18,377	1,714.05	6,79,513	1,609.77
Total	6,88,591	1,642.98	6,74,430	1,597.72	1,30,724	311.91	99,793	236.41	1,52,824	364.64	1,31,214	310.85	9,72,139	2,319.52	9,05,437	2,144.98

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(All figures are in THUF except if otherwise indicated)

30. OTHER EXPENSES

Composition of other expenses in the years ended 31 December 2019 and 31 December 2020:

	2019		2020	
		INR Lakhs		INR Lakhs
Local business tax	60,335	143.96	54,673	129.52
Scrapped and missing purchased goods	49,182	117.35	36,256	85.89
Net value of tangible assets sold	4,410	10.52	12,252	29.02
Credit loss	20,024	47.78	16,891	40.01
Innovation contribution	9,165	21.87	8,286	19.63
Provisioning for warranty obligations	-	-	838	1.99
Product charge	5,245	12.51	5,081	12.04
Impairment of inventories	1,031	2.46	4,229	10.02
Fines, penalties	737	1.76	918	2.17
Company car tax	2,150	5.13	1,736	4.11
Impairment of receivables	5,138	12.26	8,050	19.07
Special Industry Tax			2,768	6.56
Building Tax	-	-	4,322	10.24
Other	298	0.71	274	0.65
Total	1,57,715	376.31	1,56,574	370.92

31 . CORPORATION TAX

The differences between the tax base assessed in accordance with the Act on Corporation Tax and the profit or loss before taxation for the years ended 31 December 2019 and 31 December 2020 are as follows:

	2019		2020	
		INR Lakhs		INR Lakhs
Profit before tax	1,15,968	276.70	(42,463)	(100.59)
Timing differences:				
Adjustment for loss carry forward	(56,333)	(135.88)	-	-
Adjustment due to provisions	-	-	-	-
Total timing differences	(56,333)	(135.88)	-	-
Permanent differences:				
Adjustment for bad debts	(2,878)	(6.94)	(3,545)	(8.71)
Use of provisions	(868)	(2.09)	-	-
Maintenance of listed building	-	-	(890)	(2.19)
Expenses booked due to provisions	-	-	838	2.06
Non Business related costs			9,671	23.75
Fines, penalties	214	0.52	204	0.50
Adjustment due to impairment	229	0.55	50	0.12
Total permanent differences:	(3,303)	(7.97)	6,328	15.54
Tax base	56,333	135.88	(36,135)	(88.75)
Corporation tax	5,070	12.10	-	-
Profit after tax	1,10,898	264.60	(42,463)	(100.59)

32 . OTHER OFF-BALANCE SHEET LIABILITIES

The Company records as off-balance sheet liabilities the total portfolio of its credit facility existing as of the balance sheet preparation date based on the agreement concluded with Budapest Bank Zrt., as follows:

Type of Loan	Available Credit Facility	
		INR lakhs
Current Account Overdraft	2,00,000	491.20
Revolving Loan for Inventory Financing	1,50,000	368.40
Revolving Loan for Customer Financing	7,00,000	1,719.20

Collateral for the liabilities to Budapest Bank Zrt. is as follows:

1. General mortgage on the property of the Company located at 1145 Budapest, Jávor u. 5/A. up to THUF 1,500,000 (INR 3684.30 Lakhs)
2. General mortgage on all assets of the Company up to THUF 1,500,000 (INR 3684.30 Lakhs)
3. Guarantee of Lux International AG up to THUF 890,000 (INR 2186.02 Lakhs)

As of the balance sheet preparation date, in addition to the above the Company has no off-balance sheet liabilities that would significantly affect these financial statements.

33. TRANSACTIONS WITH RELATED COMPANIES

Transactions with related companies in the years ended 31 December 2019 and 31 December 2020 were as follows:

Net sales revenue	2019		2020	
		INR Lakhs		INR Lakhs
- Lux International AG (parent company)	2,51,818	600.84	1,86,859	442.67
- Lux Aqua Welity Polaska	-	-	1,231	2.92
- Lux Italia s.r.l.	37	0.09		-
- Lux Int. Services & Logistics GmbH	1,720	4.10		-
Total	2,53,575	605.03	1,88,090	445.59

Of the above, sales revenue from services provided	2019		2020	
		INR Lakhs		INR Lakhs
- Lux International AG (parent company)	2,51,818	600.84	1,86,618	442.10
Total	2,51,818	600.84	1,86,618	442.10

Services used	2019		2020	
		INR Lakhs		INR Lakhs
- Lux International AG (parent company)	1,45,558	347.30	1,34,514	318.66
- Lux Deutschland GmBH	615	1.47		-
Total	1,46,173	348.77	1,34,514	318.66

Purchase of products	2019		2020	
		INR Lakhs		INR Lakhs
- Lux International AG (parent company)	7,88,492	1,881.34	16,42,592	3,891.30
- Lux Int. Services & Logistics GmbH	6,08,858	1,452.74		-
- Lux Österreich GmbH			423	1.00
Total	13,97,350	3,334.08	16,43,015	3,892.30

In the reporting year there was no significant transaction in respect of related companies

34. SIGNIFICANT EVENTS AFTER THE REPORTING DATE - CORONA VIRUS

The coronavirus pandemic impacted significantly the Company as well, primarily as regards March, April and May 2020. During the curfew, the Company's core activity decreased to a minimum, although there was an increased interest for the main products of the Company (primarily for air purifiers, steam cleaners). Sale of filters and dust bags through the customer service also demonstrated a considerable increase in demand. Despite the fact that nothing posed clearly any restriction on the activity of the Company, welimited the activities due to health risks. Until the end of the state of emergency, the Company sold its products via "telesales", the positive effect of which on net revenue was already felt in April.

Because of the circumstances arising from the pandemic, the Company took immediate temporary actions that ensured business continuity and the maintenance of the profit structure. Main actions included:
- special focus on the collection of trade receivables;
- re-negotiation of lease contracts; reducing rentals;
- suspension of unwarranted payments;
- optimisation of wage payments;
- compelling staff on the payroll to take their annual leave; making employees in probation period redundant;
- restricting personal contact with customers; transition to selling via "telesales";
- to ensure financing, extension of the term of the bank loans until May 2021; increasing the amount of credit facility to manage potential short-term effects.

After the termination of the state of emergency and the lifting of restrictions the Company's activityreturned to the usual level. Since autumn, the intensity of the activity has grown further and there is still an increased demand for the products of the Company.

Budapest 28th May 2021

LUX INTERNATIONAL AG

(a wholly owned subsidiary company of

Forbes Lux International AG)

Financial Statements

For the Year ended December 31, 2020

KPMG AG
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Report of the Statutory Auditor on the Limited Statutory Examination to the General Meeting of Shareholders of Lux International Ltd., Wallisellen

As statutory auditor, we have examined the financial statements (balance sheet, income statement and notes) of Lux International Ltd. for the year ended 31 December 2020.

These financial statements are the responsibility of the board of directors. Our responsibility is to perform a limited statutory examination on these financial statements. We confirm that we meet the licensing and independence requirements as stipulated by Swiss law.

We conducted our examination in accordance with the Swiss Standard on the Limited Statutory Examination. This standard requires that we plan and perform a limited statutory examination to identify material misstatements in the financial statements. A limited statutory examination consists primarily of inquiries of company personnel and analytical procedures as well as detailed tests of company documents as considered necessary in the circumstances. However, the testing of operational processes and the internal control system, as well as inquiries and further testing procedures to detect fraud or other legal violations, are not within the scope of this examination.

Based on our limited statutory examination, nothing has come to our attention that causes us to believe that the financial statements and the proposed appropriation of available earnings do not comply with Swiss law and the company's articles of incorporation.

Without qualifying our examination conclusion, we draw attention to note 3.6 in the financial statements describing the liquidity difficulties of Lux International Ltd. This fact together with other matters disclosed in note 3.6 and 3.7 indicate the existence of a material uncertainty that may cast significant doubt about the ability of Lux International Ltd. to continue as a going concern. Should Lux International Ltd. be unable to continue as a going concern, the financial statements would have to be prepared on the basis of liquidation values.

We draw attention to the fact, that half of the share capital and legal reserves is no longer covered (art. 725 para. 1 CO).

KPMG AG

Roman Wenk
Licensed Audit Expert
Auditor in Charge

Yvonne Lingg
Licensed Audit Expert

Zurich, 17 March 2021

Enclosure:
- Financial statements (balance sheet, income statement and notes)

LUX INTERNATIONAL LIMITED
BALANCE SHEET AS OF 31 December 2020

ASSETS Current assets	Note	31.12.2020 CHF	31.12.2020 INR Lakhs	31.12.2019 CHF	31.12.2019 INR Lakhs
Cash and cash equivalents		2,64,971	219.04	2,74,800	202.21
Trade accounts receivables					
From Third Parties		7,38,399	610.41	3,60,192	265.04
From entities in which the entity holds a participation		11,33,307	936.86	18,80,320	1,383.61
Other current receivables					
From Third Parties		81,306	67.21	1,36,265	100.27
From holders of participations and governing bodies		-	-	-	-
From entities in which the entity holds a participation		19,30,084	1,595.53	-	-
Inventories		22,45,644	1,856.39	31,33,852	2,306.00
Current financial assets	2.1	13,312	11.00	77,792	57.24
Prepaid expenses and accrued income		87,527	72.36	94,000	69.17
Total current assets		**64,94,550**	**5,368.80**	**59,57,221**	**4,383.54**
Non current assets					
Financial assets	2.2	19,06,866	1,576.34	39,13,026	2,879.34
Investments	2.3	1,54,81,163	12,797.70	2,70,87,361	19,931.83
Property, plant and equipment		-	-	-	-
Furniture , Fixtures & office equipment		-	-	-	-
Leasehold Improvements		-	-	-	-
Intangible assets		13,96,881	1,154.75	14,87,843	1,094.81
Total non current assets		**1,87,84,910**	**15,528.79**	**3,24,88,230**	**23,905.98**
TOTAL ASSETS		**2,52,79,460**	**20,897.59**	**3,84,45,451**	**28,289.52**

LIABILITIES AND SHAREHOLDERS' EQUITY	Note	31.12.2020 CHF	31.12.2020 INR Lakhs	31.12.2019 CHF	31.12.2019 INR Lakhs
Liabilities					
Current liabilities					
Trade accounts payables					
to third parties		8,60,141	711.05	13,48,180	992.04
From holders of participations and governing bodies		20,43,234	1,689.07	11,61,787	854.88
From entities in which the entity holds a participation		26,43,168	2,185.01	46,10,899	3,392.86
Current interest-bearing liabilities		23,26,102	1,922.90	46,60,725	3,429.52
Other current short-term liabilities					
to holders of participations and governing bodies		4,94,121	408.47	-	-
to entities in which the entity holds a participation		12,77,953	1,056.44	9,20,547	677.37
Current provisions		2,51,357	207.79	1,05,700	77.78
Accrued expenses and deferred income	2.10	4,11,931	340.53	5,87,073	431.99
Total current liabilities		**1,03,08,007**	**8,521.26**	**1,33,94,911**	**9,856.44**
Non-current liabilities					
Other non current liabilities		5,42,215	448.23		
Interest-bearing loans	2.9	1,05,17,081	8,694.08	2,06,10,457	15,165.90
Non Current Provisions	2.10	2,50,000	206.62	1,43,000	105.25
Provisons for unrealized exchange gains		1,87,111	154.68	67,213	49.46
Total non-current liabilities		**1,14,96,407**	**9,503.61**	**2,08,20,670**	**15,320.61**
Total liabilities		**2,18,04,414**	**18,024.87**	**3,42,15,581**	**25,177.05**
Shareholders' equity					
Share capital		1,95,00,000	13,033.78	1,95,00,000	13,033.78
Legal capital reserves		15,00,000	1,040.55	15,00,000	1,040.55
Voluntary retained earnings		-	-	-	-
- Results carried forward		(1,67,70,129)	(10,990.81)	(60,97,976)	(3,402.05)
- Loss for the year		(7,54,823)	(602.60)	(1,06,72,153)	(7,588.77)
- Merger Loss		-	-	-	-
FCTR		-	391.80	-	28.96
Total shareholders' equity		**34,75,048**	**2,872.72**	**42,29,871**	**3,112.47**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**2,52,79,460**	**20,897.59**	**3,84,45,451**	**28,289.52**

LUX INTERNATIONAL AG
STATEMENT OF INCOME 2020

INCOME	Note	2020 CHF	2020 INR Lakhs	2019 CHF	2019 INR Lakhs
Revenue from sale of goods and services		1,37,15,275	10,949.36	98,60,714	7,011.77
Total Operating Income		**1,37,15,275**	**10,949.36**	**98,60,714**	**7,011.77**
Raw materials and Supplies		(85,58,338)	(6,832.40)	(58,95,549)	(4,192.21)
Personal Expenses		(15,85,963)	(1,266.13)	(20,35,718)	(1,447.56)
Other Operating expenses		(35,62,683)	(2,844.21)	(26,40,076)	(1,877.31)
Depreciation on Property, Plant and equipment		(16,449)	(13.13)	(1,11,322)	(79.16)
Amortisation on intangible assets		(3,33,679)	(266.39)	(3,17,779)	(225.97)
Impairment loss on investment	2.6	(1,12,47,333)	(8,979.12)	(1,02,32,171)	(7,275.90)
Total Operating Expenses		**(2,53,04,445)**	**(20,201.38)**	**(2,12,32,615)**	**(15,098.11)**
Operating Result		**(1,15,89,170)**	**(9,252.02)**	**(1,13,71,901)**	**(8,086.34)**
Dividend income		67,431	53.83	9,03,013	642.12
Financial income	2.7	1,43,233	114.35	9,18,796	653.34
Financial expense	2.8	(7,85,518)	(627.10)	(9,94,943)	(707.49)
Non-Operating income	2.11	-	-	1,93,739	137.76
Non-Operating expenses		-	-	(71,072)	(50.54)
Gain on sale of Fixed Assets		16,087	12.84	-	-
Extraordinary income	2.9	1,28,22,462	10,236.59	4,77,954	339.86
Extraordinary expenses	2.10	(14,00,280)	(1,117.89)	(6,97,755)	(496.16)
Total income		**1,08,63,415**	**8,672.62**	**7,29,732**	**518.89**
Profit or losses for the year before taxes		**(7,25,755)**	**(579.40)**	**(1,06,42,169)**	**(7,567.45)**
Direct taxes		(29,068)	(23.21)	(29,984)	(21.32)
Total expenses		**(7,54,823)**	**(602.61)**	**(1,06,72,153)**	**(7,588.77)**

Notes

1. Principles

1.1 General aspects

These financial statements were prepared according to the provisions of the Swiss Law on Accounting and Financial Reporting (3rd title of the Swiss Code of Obligations). Where not prescribed by law, the significant accounting and valuation principles applied are described below. It should be noted that to ensure the company's going concern, the company's financial statements may be influenced by the creation and release of hidden reserves. It is stated, however, that these financial statements do not include any element of such hidden reserves. The financial statement 2020 has been generated under the regulations of the new Swiss Accounting regulations (Para 32 of the Swiss Code of Obligations).

1.2. Property, plant and equipment

Property, plant and equipment (PPE) includes office equipment, cars as well as EDP hardware and is valued at acquisition or manufacturing costs less accumulated depreciation and impairment losses. PPE is depreciated between 3 and 8 years using the straight-line method. As soon as there are indicators that book values may be overstated, these are reviewed and, if necessary, adjusted.

1.3. Intangible assets

Intangible assets include development and tooling costs as well as costs for new financial accounting software (X3). The development phase for the product "Steam Cleaner" has been completed in 2019, it will be amortized on a staight-line basis until 28 February 2027. The "Axel" and "Lux Intelligence Face Lift" projects will be amortized on a straight-line basis until 30 June 2024.The financial accounting software will amortized on a straight-line basis until 31. December 2025.

1.4. Revenue from sale of goods, royalties and factory participation

Revenue from sale of goods is recognised as soon as the goods have been delivered and invoiced.

Revenue from Royalties and Factory participation, which depends on order volume of the subsidiaries, is recorded as at invoicing. Once the service has been rendered it is invoiced, at the latest at the end of each quarter.

Notes

1.5. Financial assets

Financial assets include current and non-current loans and are recognized at acquisition cost less value adjustments. Loans granted in foreign currency are translated at the rate of balance sheet date, whereby unrealized losses are recorded but unrealized gains are not recognized. In case of repayment, the gain or loss is recognized through the income statement as financial income or financial expenses.

1.6. Interest-bearing loans

Interest-bearing loans are recognized in the balance sheet at nominal value. Loans received in foreign currency are translated at the rate of balance sheet date, whereby unrealized losses are recorded but unrealized gains are not recognized.

1.7. Inventories

Inventory ist valued at cost (weighted average costs) less value adjustments.

2. Information on balance sheet and income statement items

2.1 Current Financial Assets

	31.12.2020 CHF	31.12.2020 INR Lakhs	31.12.2019 CHF	31.12.2019 INR Lakhs
Loans to third parties	9,142	7.56	64,257	47.28
Loans to companies in which entity holds a participation	-	-	5,178	3.81
Private Loans to employees	4,170	3.45	8,357	6.15
Total	13,312	11.01	77,792	57.24

2.2 Non-Current Financial Assets

	31.12.2020 CHF	31.12.2020 INR Lakhs	31.12.2019 CHF	31.12.2019 INR Lakhs
Loans to third parties	96,585	79.84	3,26,452	240.21
Loan to companies in which entity holds an investment	18,10,281	1,496.49	35,86,574	2,639.13
Total	19,06,866	1,576.33	39,13,026	2,879.34

2.3 Investments

Company	Domicile	Share Capital 31.12.2020	Share Capital 31.12.2019	Share in Capital and voting rights in % 31.12.2020	Share in Capital and voting rights in % 31.12.2019
Lux (Schweiz) AG Direct Sales Company	Switzerland	CHF 700,000 INR 578.66 Lakhs	CHF 300,000 INR 216.54	100%	100%
Lux Deutschland GmbH * Direct Sales Company	Germany	- -	EUR 7,153,000 INR 7,035.42, Lakhs	-	100%
AMC Cookware PTY Ltd. Direct Sales Company & Local production	South Africa	ZAR 100 INR 258	ZAR 100 INR Nil Lakhs	50%	50%
Lux Italia s.r.l ** Direct Sales Company	Italia	- -	EUR 110,000 INR 93.46 Lakhs	-	100%
LIAG Trading & Investments Limited Trading and Logistics Company	UAE	AED 100,000 INR 18.85 Lakhs	AED 100,000 INR 18.85 Lakhs	100%	100%
Lux Norway A/S *** Direct Sales Company	Norway	- -	NOK 21,500,000 INR 1,639.08 Lakhs	-	100%
Lux Service GmbH Logistics and services Company	Germany	EUR 25'000 INR 18.45 Lakhs	EUR 25'000 INR 18.45 Lakhs	100%	100%
Lux Oesterreich GmbH Direct Sales Company	Austria	EUR 870,000 INR 720.25 Lakhs	EUR 870,000 INR 720.25 Lakhs	100%	100%
Lux Hungary Kereskedelmi Kft. Direct Sales Company	Hungary	HUF 30'000'000 INR 85.96 Lakhs	HUF 30'000'000 INR 85.96 Lakhs	100%	100%
Lux del Paraguay S.A. Direct Sales Company	Paraguay	PYG 12'500'000'000 INR 1,370.75 Lakhs	PYG 12'500'000'00C INR 1,370.75 Lakhs	80%	80%
Lux Professional Paraguay SA (former Aqua Paraguay SA) Rental Company	Paraguay	PYG 2,500,000,000 INR 271.50 Lakhs	PYG 2,500,000,000 INR 271.50 Lakhs	99%	99%
Lux Welity Polska sp Z oo Corporate Service Company	Poland	PLN 100,000 INR 18.76 Lakhs	PLN 100,000 INR 18.76 Lakhs	100%	100%

* Filed for insolvency in April 2020; liquidation process handled by an external Insolvency Administrator. - Loss of control as of 30th June 2020
** Liquidation procedure completed. - Loss of control as of 31st December 2020
*** Shares sold in December 2020. - Loss of control as of 31st December 2020. - Future operation as a National Distributor

2.4 Non-Current Interest-bearing liabilities

	31.12.2020 CHF	31.12.2020 INR Lakhs	31.12.2019 CHF	31.12.2019 INR Lakhs
Loan from third parties	50,15,938	4,146.49	93,18,188	6,856.65
Loan from companies in which the entity holds an investment	2,22,750	184.14	39,04,790	2,873.28
Loan From Shareholder	52,78,392	4,363.45	73,87,477	5,435.96
Total	1,05,17,080	8,694.08	2,06,10,455	15,165.89

2.5 Current and Non-Current Provisions

Current accrued expenses in the amount of CHF 411,932 (INR 340.53 Lakhs) includes, among other positions, bonus accruals CHF 85,000 (INR 70.27 Lakhs), consultancy and auditing fees CHF 115,700 (INR 95.64 Lakhs), accruals for incentive costs CHF 190,458 (INR 157.44 Lakhs) as well as accruals for support costs CHF 10,844 (INR 8.96 lakhs). Current provisions includes an accrual for overtime and vacaction CHF 12,000 (9.92 Lakhs), accruals for taxes CHF 46,700 (INR 38.61 Lakhs) and an accrual for volume rebates CHF 192,657 (INR 159.26 lakhs). Long-term restructuring provisions in the amount of CHF 250,000 have been separately disclosed as non-current liabilities

2.6. Other Liabilities to Third Parties

Lux International AG concluded on the 27th November 2020 a Settlement Agreement with the Insolvency Administrator of the former Lux Deutschland GmbH ("Lux Germany"). The parties agreed on a sverance payment of EUR 1,300,000 (INR 1163.17 Lakhs) with maturities in December 2020 (EUR 350,000 INR 313.16 Lakhs), December 2021 (EUR 450,000 INR 402.64 Lakhs/-) and December 2022 (EUR 500,000 INR 447.37 Lakhs). By this payment, all net receivables and net liabilities of the group companies were irrevocably waived

2.7 Impairment of Investment

The insolvency of "Lux Deutschland GmbH" led to an additional depreciation on the respective investementvalue in the amount of CHF 10,723,138 (INR 8,864.42Lakhs). In addition the sale of the investment in Lux Norge AS resulted in an impairment loss of CHF 3,146,434 (INR 2601.04 Lakhs). Due to good course of business, the value adjustment on investment in AMC Cookware (Pty) Ltd. amounting to CHF 1,141,617 (INR 943.73 Lakhs) was reversed. Furthermore, the capital reduction of Lux International Services & Logistics GmbH led to a reversal of the value adjustment on the investment in the amount of CHF 1,480,622 (INR 1,223.98 Lakhs)

2.8 Financial Income

	31.12.2020 CHF	31.12.2020 INR Lakhs	31.12.2019 CHF	31.12.2019 INR Lakhs
Interest income from third parties	9,523	7.60	17,011	12.10
Interest income from companies in which the entity holds an investment	1,33,710	106.75	2,12,829	151.34
Net Exchange Losses realized and unrealized as well as gains realized	-	-	6,88,956	489.90
Total	1,43,233	114.35	9,18,796	653.34

2.9 Financial Expenses

	31.12.2020 CHF	31.12.2020 INR Lakhs	31.12.2019 CHF	31.12.2019 INR Lakhs
Interest expense and charges to third parties	(3,93,228)	(313.93)	(6,19,842)	(440.76)
Interest expense to companies in which the entity holds an investment	(13,611)	(10.87)	(1,72,651)	(122.77)
Interest expense to shareholders	(2,18,129)	(174.14)	(2,02,450)	(143.96)
Net exchange losses realized and unrealized as well as gains realized	(1,60,550)	(128.17)	-	-
Total	(7,85,518)	(627.11)	(9,94,943)	(707.49)

2.10 Extraordinary Income

Extraorinary income results mainly from a shareholder's restructuring grant in the amount of CHF 11,342,032 (INR 9,054.72 Lakhs), the gain based on the settlement agreement with the Insolvency Administrator of the former Lux Deutschland GembH ("Lux Germany") amounting to CHF 1,024,802 (INR 818.13 Lakhs), as well as from prior period income in the amount of CHF 455,628 (INR 363.74 Lakhs), which mainly results from the release of unneeded restructuring provisions and accruals from previous years. In prior year extraordinary income included prior period income (CHF 48,776 INR 38.94 Lakhs) and income from release of bad debt provisions (CHF 429,178 INR 342.63 Lakhs)

2.11 Extraordinary Expenses

Extraordinary expenses include, serveral restructuring expenses in the amount of CHF 877,154 (INR 700.26 Lakhs) prior period expenses (CHF 46,675 INR 37.26 Lakhs) as well as value adjustments on loans to Lux Italia s.r.l (CHF 139,601 INR 111.45 Lakhs). In prior year extraordinary expenses include prior period expenses (CHF 171,405 INR 136.84 Lakhs) as well as value adjustments on loans and recelbables to Lux Italy (CHF 370,248 INR 295.58 Lakhs) and on receivables to distributors CHF 156,101 INR 124.62 Lakhs

3.3 Collateral provided for liabilities of third parties	31.12.2020 CHF	31.12.2020 INR Lakhs	31.12.2019 CHF	31.12.2019 INR Lakhs
Lux International AG has issued a Guarantee Declaration towards Commerzbank, Germany, in favour of Lux Deutschland GmbH. The bank established a credit facility of EUR 200,000 which was used for granting bank guarantees towards landlords (security for rented office facilities). As of 31st December 2019, bank guarantees amounting to EUR 120,763.57 were issued. - As of 31st May 2020 (insolvency procedure), the same amount was formally outstanding. One landlord(EUR 37,500) has formally declared not to call the guarantee, as Lux International Services & Logistics GmbH entered into the rent contract (Logistics Centre, warehouse in Rodges/Fulda). - Accordingly, the remaining guarantees amount to EUR 83,263.57 as of 31st December 2020	90,294	74.64	2,17,486	160.03
Lux International AG has issued a Guarantee Declaration towards Bank Austria, Austria, in favour of Lux Österreich GmbH. The bank granted an overdraft limit of EUR 250,000 to the subsidiary, which has neither been drawn down as of 31st December 2019 as of 31st December 2020	2,71,108	224.11	2,71,858	200.04
Lux International AG has issued a Letter of Comfort towards Budapest Bank, Hungary, in favour of Lux Hungary. The amount is limited to a maximum of HUF 890'000'000. Lux Hungária Kft. has pledged various assets to Budapest Bank on the basis of local Bank Loan Agreements. The subsidiary has drawn down HUF 817,467,000 (CHF 2,431,147) as of 31st December 2020 (PY: HUF 844,883,000 / CHF 2,778,820)	26,46,860	2,188.06	29,27,210	2,153.94

3.4 Derivative Financial Instruments

Lux International AG has entered into a derivative instrument with ICICI Bank UK PLC, GB London (combined IR-/FX Swap).
The instrument consist of :

a) A cash flow hedge (6,706,332 USD / 6,420,000 EUR / INR 5,744.29 Lakhs) Linked to the ICICI loan and its amortization dates, which matures on each amortization payment date , latest on 23rd December 2022.

	31.12.2020				31.12.2019				
	Assets		Liabilities		Assets		Liabilities		Purpose
	TCHF	INR Lakhs	TCHF	INR Lakhs	TCHF	INR Lakhs	TCHF	INR Lakhs	
Future cash flows in CHF	5,921	4,894.67	6,962	5,755.23	13,039	9,594.55	13,979	10,286.24	Hedging
Total	5,921	4,894.67	6,962	5,755.23	13,039	9,594.55	13,979	10,286.24	

b) An Interest rate Swap (LIBOR + 2% Margin / 2.4 % fixed interest) linked to the payments on the ICICI loan and mature payment date (semi-annual)

The intrument allows the company to carry the loan facility and the interest expenses related thereto at fixed EUR-based amounts in the accounts.

The company, and neither any of its subsidiaries, has not concluded any further derivative instrument.

3.5 Contingent Liabilities

The settlement agreement with the Insolvency Administrator of the former Lux Deutschland GmbH ("Lux Germany") includes an earn-out clause, whereas a profit share on the consolidated net result of Lux Group in 2023 and 2024 would be assigned to the insolveny mass. This profit share amounts to 1/3 of a net profit exeeding 1.0 A43Mio. EUR in each of the two years. The total amount of the two profit shares has been limited to a maximum amount of 1.7 Mio. EUR. Considering the historical Net Loss situation of the past years, the actual significant market distortions due to the Covid pandemic, and the high uncertainty of future profit projections, the management considers it unlikely that such profit share will have to be paid out in the upcoming years.Accordingly, no provisions have been recorded for such pay-out

3.6 Financial Difficulties

Lux International Ltd. and its subsidiaries (Lux Group) faced financial difficulties during the financial year ended December 31, 2020. The Groups ability to continue on a "going concern" basis depends on the continuing financial support of its ultimate parent company, Eureka Forbes td. Mumbai, India (EFL). The Board of Directors of Lux International AG regularly takes necessary steps to revive and stabilize the business of Lux Group. Furthermore, the ultimate parent company, EFL, issued a financial support letter dated 27st January 2021, confirming that they undertake financial support to the extend needed to keep Lux Group adequately capitalized. In the event of continuing loss and financial needs, EFL will provide necessary liquid funds support or equity to continue its operations. This undertaking is valid until 31 March 2022. - Eureka Forbes Ltd. provided for all financial liabilities in 2020. An instalment of EUR 2,145,000 which will fall due in June 2021 towards ICICI Bank was early repaid on 23rd December 2020 already.

Should EFL be unable to provide necessary liquid funds support or equity, 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 Lux Group is not able to continue as a going concern, assets may have to be written down and provisions set up and fixed assets and non-current liabilities reclassified as current. The impact of these adjustments could be material and the necessary provisions would have to be followed by the Board of Directors

3.7 Capital Loss

As per 31 December 2020, half of the share capital, the participation share capital and the legal reserves were no longer covered (Para 725 I of the Swiss Code of Obligations).

Equity was restored by means of a share capital increase amounting to CHF 5,000,000 on 2 March 2020.Thereby, shareholder loans were converted into ordinary share capital. The necessary shareholders resolutions have been passed

3.8 Significant events after the balance sheet date

No significant events occurred, other than the capital increase stated above.

LUX INTERNATIONAL SERVICES & LOGISTICS GMBH
(a Subsidiary of Lux International AG)

Financial Statements
For the Year ended December 31, 2020

Independent practitioner's review report to the Board of Directors of

Lux International Services & Logistics GmbH, Fulda

We have reviewed the accompanying financial information of Lux International Services & Logistics GmbH, which comprise the balance sheet as at December 31st, 2020, and the income statement for the year then ended.

Management's Responsibility for the financial information

Management is responsible for the preparation of this financial information in accordance with the accounting policies of Lux Group and for such internal control as management determines is necessary to enable the preparation of financial information that is free from material misstatement, whether due to fraud or error.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial information. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400 (revised), Engagements to Review Historical financial information. ISRE 2400 (revised) requires us to conclude whether anything has come to our attention that causes us to believe that the financial information, taken as a whole, is not prepared in all material respects in conformity with the applicable accounting policies of Lux Group as stated in the explanatory information to this financial information. This standard also requires us to comply with relevant ethical requirements.

A review of financial information prepared for consolidation purposes in accordance with ISRE 2400 (revised) is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with international standards on auditing. Accordingly, we do not express an audit opinion on this financial information.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that this accompanying financial information as at and for the year ended December 31st, 2020 is not prepared, in all material respects, in conformity with the accounting policies of Lux Group.

Restriction on Use

This financial information has been prepared for purposes of providing to Lux International AG to enable it to prepare the consolidated financial information of the Lux group. As a result, the financial information is not a completed set of financial information of Lux International Services & Logistics GmbH in accordance with Swiss GAAP FER and is not intend to give a true and fair view, in all material aspects, the balance sheet as at December 31st, 2020, and of its financial performances. The financial information may, therefore not be suitable for another purpose and should not be used by parties other than Lux International Services & Logistics GmbH, Lux International AG (Switzerland) and Eureka Forbes Limited (India).

Fulda, March 1st, 2021

MUTH & Co. GMBH
Wirtschaftsprüfungsgesellschaft

(Kurt Abert)
Wirtschaftsprüfer

Enclosure:

- Financial information (balance sheet as at December 31st, 2020, income statement for the year ended December 31st, 2020), General Engagement Terms

Lux International Services & Logistics GmbH, Fulda (Germany)
Balance Sheet

	31st Dec 2020		31st Dec 2019	
	Euro	INR Lakhs	Euro	INR Lakhs
Assets				
A. Non Current Assets				
I. Intangible Assets				
1. Industrial Protection rights and similar rights and assets purchased for consideration	14,263	12.76	1,53,242	122.37
II. Property Plant and Equipments				
1. Other operational and office equipments	98,575	88.20	81,512	65.09
Total Non Current Assets	1,12,838	100.96	2,34,754	187.46
B. Current Assets				
I. Inventories				
1.Raw Materials	-	-	-	-
2.Finished goods and Trading Stock	-	-	-	-
	-	-	-	-
II. Receivables and other assets				
1.Trade Accounts Receivable	-	-	23,567	18.82
2.Accounts receivable from affiliated entities	13,376	11.97	22,00,794	1,757.39
3.Receivable from shareholder	5,19,666	464.97	1,93,446	154.47
4. Other Assets	6,514	5.83	-	-
	5,39,556	482.77	24,17,807	1,930.68
III. Cash on Hand and Bank Balances	1,13,684	101.72	13,936	11.13
Total Current Assets	6,53,240	584.49	24,31,743	1,941.81
C. Prepaid expenses and deferred charges	-	-	7,433	5.94
Total Assets	**7,66,078**	**685.45**	**26,73,930**	**2,135.21**
Shareholder Equity and Liabilities				
A. Shareholder equity				
I. Subscribed Capital	25,000	18.45	25,000	18.45
II.Capital Reserve	-	-	13,75,000	1,062.00
III.Loss Carried forward	(13,55,882)	(154.33)	(11,58,488)	(170.84)
IV.Loss for the period	15,63,133	1,338.02	(1,97,394)	(154.33)
V .Foreign Currency Translation Reserve	-	(994.34)	-	(720.05)
Total Shareholder Equity	2,32,251	207.80	44,118	35.23
B.Provisions and accrued liabilities				
I. Other Provisions and accrued liabilities	2,42,300	216.80	2,17,000	173.28
Total Provisions and accrued liabilities	2,42,300	216.80	2,17,000	173.28
C. Liabilities				
1.Trade accounts payable	20,003	17.90	1,05,634	84.35
2.Accounts payable to affiliated entities	2,39,988	214.73	21,09,683	1,684.64
3.Accounts payable to shareholder	-	-	-	-
4.Other Liabilities	31,536	28.22	1,97,495	157.71
– of which, for taxes EUR 30,524 (INR 27.31 Lakhs)(P.Y Eur 85,676 (INR 76.66 Lakhs))				
Total Liabilities	2,91,527	260.85	24,12,812	1,926.70
Total Shareholder Equity and Liability	**7,66,078**	**685.45**	**26,73,930**	**2,135.21**

Lux International Services & Logistics GmbH, Fulda (Germany)

Profit & Loss Statement

PARTICULARS	2020 EUR	2020 INR Lakhs	2019 EUR	2019 INR Lakhs
Sales Revenue	22,80,654	1,952.21	1,07,31,990	8,390.50
Other Operating Income	17,98,565	1,539.55	81,507	63.72
Total Operating Income	40,79,219	3,491.76	1,08,13,497	8,454.22
Cost of Materials -				
Cost of purchased trading cost	(1)	-	83,07,482	6,494.97
Personnel Expenses -				
Wages and Salaries	11,80,653	1,010.63	15,24,465	1,191.86
Social Security costs and expenses for retirement and support Benefits -- Of which for retirement benefits Euro Nil (P.Y Euro Nil)	2,42,904	207.92	2,74,936	214.95
Amortisation of intangible assets and depreciation of property plant and equipment	19,727	16.89	20,562	16.08
Other Operating Expenses	9,71,438	831.54	8,82,592	690.03
Oncome from participatory interests -- of which, from affiliated entities Euro Nil (P.Y Euro Nil.)	-	-	-	-
Income from a profit or loss transfer agreement	-	-	-	-
Other Interest and similar income -- of which, from affiliated entities Eur Nil (P.Y eur Nil)	-	-	-	-
Interest and Similar expenses -- of which, from affiliated entities EUR nil (P.Y Eur Nil) -- of which,from the interest on provisions EUR Nil (P.Y Eur Nil)	-	-	15	0.01
Taxes on Income	1,00,000	85.60	-	-
Profit Before taxes	**15,64,498**	**1,339.18**	**(1,96,555)**	**(153.68)**
Other Taxes	1,365	1.17	839	0.66
Loss for the period	**15,63,133**	**1,338.01**	**(1,97,394)**	**(154.34)**

[Translator's notes are in square brackets]

General Engagement Terms

for

Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften

[German Public Auditors and Public Audit Firms]

as of January 1, 2017

1. Scope of application

(1) These engagement terms apply to contracts between German Public Auditors (*Wirtschaftsprüfer*) or German Public Audit Firms (*Wirtschaftsprüfungsgesellschaften*) – hereinafter collectively referred to as "German Public Auditors" – and their engaging parties for assurance services, tax advisory services, advice on business matters and other engagements except as otherwise agreed in writing or prescribed by a mandatory rule.

(2) Third parties may derive claims from contracts between German Public Auditors and engaging parties only when this is expressly agreed or results from mandatory rules prescribed by law. In relation to such claims, these engagement terms also apply to these third parties.

2. Scope and execution of the engagement

(1) Object of the engagement is the agreed service – not a particular economic result. The engagement will be performed in accordance with the German Principles of Proper Professional Conduct (*Grundsätze ordnungsmäßiger Berufsausübung*). The German Public Auditor does not assume any management functions in connection with his services. The German Public Auditor is not responsible for the use or implementation of the results of his services. The German Public Auditor is entitled to make use of competent persons to conduct the engagement.

(2) Except for assurance engagements (*betriebswirtschaftliche Prüfungen*), the consideration of foreign law requires an express written agreement.

(3) If circumstances or the legal situation change subsequent to the release of the final professional statement, the German Public Auditor is not obligated to refer the engaging party to changes or any consequences resulting therefrom.

3. The obligations of the engaging party to cooperate

(1) The engaging party shall ensure that all documents and further information necessary for the performance of the engagement are provided to the German Public Auditor on a timely basis, and that he is informed of all events and circumstances that may be of significance to the performance of the engagement. This also applies to those documents and further information, events and circumstances that first become known during the German Public Auditor's work. The engaging party will also designate suitable persons to provide information.

(2) Upon the request of the German Public Auditor, the engaging party shall confirm the completeness of the documents and further information provided as well as the explanations and statements, in a written statement drafted by the German Public Auditor.

4. Ensuring independence

(1) The engaging party shall refrain from anything that endangers the independence of the German Public Auditor's staff. This applies throughout the term of the engagement, and in particular to offers of employment or to assume an executive or non-executive role, and to offers to accept engagements on their own behalf.

(2) Were the performance of the engagement to impair the independence of the German Public Auditor, of related firms, firms within his network, or such firms associated with him, to which the independence requirements apply in the same way as to the German Public Auditor in other engagement relationships, the German Public Auditor is entitled to terminate the engagement for good cause.

5. Reporting and oral information

To the extent that the German Public Auditor is required to present results in writing as part of the work in executing the engagement, only that written work is authoritative. Drafts are non-binding. Except as otherwise agreed, oral statements and explanations by the German Public Auditor are binding only when they are confirmed in writing. Statements and information of the German Public Auditor outside of the engagement are always non-binding.

6. Distribution of a German Public Auditor's professional statement

(1) The distribution to a third party of professional statements of the German Public Auditor (results of work or extracts of the results of work whether in draft or in a final version) or information about the German Public Auditor acting for the engaging party requires the German Public Auditor's written consent, unless the engaging party is obligated to distribute or inform due to law or a regulatory requirement.

(2) The use by the engaging party for promotional purposes of the German Public Auditor's professional statements and of information about the German Public Auditor acting for the engaging party is prohibited.

7. Deficiency rectification

(1) In case there are any deficiencies, the engaging party is entitled to specific subsequent performance by the German Public Auditor. The engaging party may reduce the fees or cancel the contract for failure of such subsequent performance, for subsequent non-performance or unjustified refusal to perform subsequently, or for unconscionability or impossibility of subsequent performance. If the engagement was not commissioned by a consumer, the engaging party may only cancel the contract due to a deficiency if the service rendered is not relevant to him due to failure of subsequent performance, to subsequent non-performance, to unconscionability or impossibility of subsequent performance. No. 9 applies to the extent that further claims for damages exist.

(2) The engaging party must assert a claim for the rectification of deficiencies in writing (*Textform*) [*Translators Note: The German term "Textform" means in written form, but without requiring a signature*] without delay. Claims pursuant to paragraph 1 not arising from an intentional act expire after one year subsequent to the commencement of the time limit under the statute of limitations.

(3) Apparent deficiencies, such as clerical errors, arithmetical errors and deficiencies associated with technicalities contained in a German Public Auditor's professional statement (long-form reports, expert opinions etc.) may be corrected – also versus third parties – by the German Public Auditor at any time. Misstatements which may call into question the results contained in a German Public Auditor's professional statement entitle the German Public Auditor to withdraw such statement – also versus third parties. In such cases the German Public Auditor should first hear the engaging party, if practicable.

8. Confidentiality towards third parties, and data protection

(1) Pursuant to the law (§ [Article] 323 Abs 1 [paragraph 1] HGB [German Commercial Code: *Handelsgesetzbuch*], § 43 WPO [German Law regulating the Profession of Wirtschaftsprüfer: *Wirtschaftsprüferordnung*], § 203 StGB [German Criminal Code: *Strafgesetzbuch*]) the German Public Auditor is obligated to maintain confidentiality regarding facts and circumstances confided to him or of which he becomes aware in the course of his professional work, unless the engaging party releases him from this confidentiality obligation.

(2) When processing personal data, the German Public Auditor will observe national and European legal provisions on data protection.

9. Liability

(1) For legally required services by German Public Auditors, in particular audits, the respective legal limitations of liability, in particular the limitation of liability pursuant to § 323 Abs. 2 HGB, apply.

(2) Insofar neither a statutory limitation of liability is applicable, nor an individual contractual limitation of liability exists, the liability of the German Public Auditor for claims for damages of any other kind, except for damages resulting from injury to life, body or health as well as for damages that constitute a duty of replacement by a producer pursuant to § 1 ProdHaftG [German Product Liability Act: *Produkthaftungsgesetz*], for an individual case of damages caused by negligence is limited to € 4 million pursuant to § 54 a Abs. 1 Nr. 2 WPO.

(3) The German Public Auditor is entitled to invoke demurs and defenses based on the contractual relationship with the engaging party also towards third parties.

(4) When multiple claimants assert a claim for damages arising from an existing contractual relationship with the German Public Auditor due to the German Public Auditor's negligent breach of duty, the maximum amount stipulated in paragraph 2 applies to the respective claims of all claimants collectively.

(5) An individual case of damages within the meaning of paragraph 2 also exists in relation to a uniform damage arising from a number of breaches of duty. The individual case of damages encompasses all consequences from a breach of duty regardless of whether the damages occurred in one year or in a number of successive years. In this case, multiple acts or omissions based on the same source of error or on a source of error of an equivalent nature are deemed to be a single breach of duty if the matters in question are legally or economically connected to one another. In this event the claim against the German Public Auditor is limited to € 5 million. The limitation to the fivefold of the minimum amount insured does not apply to compulsory audits required by law.

(6) A claim for damages expires if a suit is not filed within six months subsequent to the written refusal of acceptance of the indemnity and the engaging party has been informed of this consequence. This does not apply to claims for damages resulting from scienter, a culpable injury to life, body or health as well as for damages that constitute a liability for replacement by a producer pursuant to § 1 ProdHaftG. The right to invoke a plea of the statute of limitations remains unaffected.

10. Supplementary provisions for audit engagements

(1) If the engaging party subsequently amends the financial statements or management report audited by a German Public Auditor and accompanied by an auditor's report, he may no longer use this auditor's report.

If the German Public Auditor has not issued an auditor's report, a reference to the audit conducted by the German Public Auditor in the management report or any other public reference is permitted only with the German Public Auditor's written consent and with a wording authorized by him.

(2) If the German Public Auditor revokes the auditor's report, it may no longer be used. If the engaging party has already made use of the auditor's report, then upon the request of the German Public Auditor he must give notification of the revocation.

(3) The engaging party has a right to five official copies of the report. Additional official copies will be charged separately.

11. Supplementary provisions for assistance in tax matters

(1) When advising on an individual tax issue as well as when providing ongoing tax advice, the German Public Auditor is entitled to use as a correct and complete basis the facts provided by the engaging party – especially numerical disclosures; this also applies to bookkeeping engagements. Nevertheless, he is obligated to indicate to the engaging party any errors he has identified.

(2) The tax advisory engagement does not encompass procedures required to observe deadlines, unless the German Public Auditor has explicitly accepted a corresponding engagement. In this case the engaging party must provide the German Public Auditor with all documents required to observe deadlines – in particular tax assessments – on such a timely basis that the German Public Auditor has an appropriate lead time.

(3) Except as agreed otherwise in writing, ongoing tax advice encompasses the following work during the contract period:

a) preparation of annual tax returns for income tax, corporate tax and business tax, as well as wealth tax returns, namely on the basis of the annual financial statements, and on other schedules and evidence documents required for the taxation, to be provided by the engaging party

b) examination of tax assessments in relation to the taxes referred to in (a)

c) negotiations with tax authorities in connection with the returns and assessments mentioned in (a) and (b)

d) support in tax audits and evaluation of the results of tax audits with respect to the taxes referred to in (a)

e) participation in petition or protest and appeal procedures with respect to the taxes mentioned in (a).

In the aforementioned tasks the German Public Auditor takes into account material published legal decisions and administrative interpretations.

(4) If the German Public auditor receives a fixed fee for ongoing tax advice, the work mentioned under paragraph 3 (d) and (e) is to be remunerated separately, except as agreed otherwise in writing.

(5) Insofar the German Public Auditor is also a German Tax Advisor and the German Tax Advice Remuneration Regulation (*Steuerberatungsvergütungsverordnung*) is to be applied to calculate the remuneration, a greater or lesser remuneration than the legal default remuneration can be agreed in writing (*Textform*).

(6) Work relating to special individual issues for income tax, corporate tax, business tax, valuation assessments for property units, wealth tax, as well as all issues in relation to sales tax, payroll tax, other taxes and dues requires a separate engagement. This also applies to:

a) work on non-recurring tax matters, e.g. in the field of estate tax, capital transactions tax, and real estate sales tax;

b) support and representation in proceedings before tax and administrative courts and in criminal tax matters;

c) advisory work and work related to expert opinions in connection with changes in legal form and other re-organizations, capital increases and reductions, insolvency related business reorganizations, admission and retirement of owners, sale of a business, liquidations and the like, and

d) support in complying with disclosure and documentation obligations.

(7) To the extent that the preparation of the annual sales tax return is undertaken as additional work, this includes neither the review of any special accounting prerequisites nor the issue as to whether all potential sales tax allowances have been identified. No guarantee is given for the complete compilation of documents to claim the input tax credit.

12. Electronic communication

Communication between the German Public Auditor and the engaging party may be via e-mail. In the event that the engaging party does not wish to communicate via e-mail or sets special security requirements, such as the encryption of e-mails, the engaging party will inform the German Public Auditor in writing (*Textform*) accordingly.

13. Remuneration

(1) In addition to his claims for fees, the German Public Auditor is entitled to claim reimbursement of his expenses; sales tax will be billed additionally. He may claim appropriate advances on remuneration and reimbursement of expenses and may make the delivery of his services dependent upon the complete satisfaction of his claims. Multiple engaging parties are jointly and severally liable.

(2) If the engaging party is not a consumer, then a set-off against the German Public Auditor's claims for remuneration and reimbursement of expenses is admissible only for undisputed claims or claims determined to be legally binding.

14. Dispute Settlement

The German Public Auditor is not prepared to participate in dispute settlement procedures before a consumer arbitration board (*Verbraucherschlichtungsstelle*) within the meaning of § 2 of the German Act on Consumer Dispute Settlements (*Verbraucherstreitbeilegungsgesetz*).

15. Applicable law

The contract, the performance of the services and all claims resulting therefrom are exclusively governed by German law.

LUX OESTERREICH GMBH
(a subsidiary Company of Lux International AG)

Financial Statements
For the Year ended December 31, 2020

KPMG

This English language audit report is a translation provided for information purposes only. The original German text shall prevail in the event of any discrepancies between the English translation and the German original. We do not accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

Lux Österreich GmbH,
Schwechat, Austria

Translation of the local Report on the Audit of the Financial Statements for the year ended 31 December 2020

12 March 2021

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft
10192115

4. Auditor's Report

Report on the Financial Statements

Audit Opinion

We have audited the financial statements of

Lux Österreich GmbH,
Schwechat, Austria,

which comprise the Balance Sheet as at 31 December 2020, the Income Statement for the year then ended, and the Notes.

In our opinion, the financial statements comply with the legal requirements and present fairly, in all material respects, the financial position of the Company as at 31 December 2020 and its financial performance for the year then ended, in accordance with Austrian Generally Accepted Accounting Principles.

Basis for our Opinion

We conducted our audit in accordance with Austrian Standards on Auditing. These standards require the audit to be conducted in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities" section of our report. We are independent of the Company, in accordance with Austrian company law and professional regulations, and we have fulfilled our other responsibilities under those relevant ethical requirements. We believe that the audit evidence we have obtained up to the date of the auditor's report is sufficient and appropriate to provide a basis for our audit opinion on this date. Our liability as auditors is guided under Section 275 UGB.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Austrian Generally Accepted Accounting Principles and for such internal controls as management determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Management is also responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole, are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our audit opinion. Reasonable assurance represents a high level of assurance, but provides no guarantee that an audit conducted in accordance with Austrian Standards on Auditing (and therefore ISAs), will always detect a material misstatement, if any. Misstatements may result from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Austrian Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit.

Moreover:

— We identify and assess the risks of material misstatements in the financial statements, whether due to fraud or error, we design and perform audit procedures responsive to those risks and obtain sufficient and appropriate audit evidence to serve as a basis for our audit opinion. The risk of not detecting material misstatements 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.

— We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

— We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

— We 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 audit report to the respective note in the financial statements. If such disclosures are not appropriate, we will modify our audit 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.

— We evaluate the overall presentation, structure and content of the financial statements, including the notes, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Engagement Partner

The engagement partner is Mr Thomas Smrekar

Vienna, 12 March 2021

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

signed by:
Thomas Smrekar
Wirtschaftsprüfer
(Austrian Chartered Accountant)

This report is a translation of the original report in German, which is solely valid.
The financial statements, together with our auditor's opinion, may only be published if the financial statements are identical with the audited version attached to this report. Section 281 Paragraph 2 UGB (Austrian Commercial Code) applies.

Lux Österreich GmbH
Schwechat

Statement of Financial Position as of 31 December 2020

ASSETS

	31-12-2020				31-12-2019			
	EUR		INR Lakhs		EUR		INR Lakhs	
A. Fixed Assets								
I. Intangible Assets								
1. Licences		9,026		8.08		9,022		7.20
II. Tangible Assets								
1. Other plants, furniture and fixtures		26,094		23.35		22,565		18.02
III. Financial assets								
1. Loans in Affiliated Companies		-		-		60,000		47.91
2. Long term investments		58,103		51.99		57,521		45.93
		93,223		83.42		1,49,108		119.06
B. Current assets								
I. Inventories								
1. Finished goods and merchandise		2,22,042		198.67		1,61,624		129.06
II. Accounts receivable								
1. Accounts receivable from trade	10,66,069		#####		#######		######	
2. Accounts receivable from affiliated companies	1,13,527		#####		1,60,326		128.02	
# Other receivables and assets	53,138	12,32,734	47.55	1,102.99	10,039	15,05,189	8.02	######
III. Cash on hand and in banks		69,520		62.20		54,791		43.75
		15,24,296		1,363.86		17,21,604		######
C Prepaid expenses		2,295		2.05		4,686		3.74
		16,19,814		1,449.33		18,75,398		######

LIABILITIES AND SHAREHOLDERS EQUITY

	31-12-2020				31-12-2019			
	EUR		INR		EUR		INR	
A. Shareholder's equity								
I. Share capital		5,00,000		424.80		5,00,000		424.80
II. Additional Paid in Capital								
1. Unappropriated		12,00,000		985.48		7,70,000		600.74
III. Net profit/loss		########		#######		(11,19,840)		(856.80)
thereof profit carryforward EUR (621,165) (INR (46,592,686)) (PY: EUR 522,232) (INR 38,703,105)))		(84,339)		(15.32)		1,50,160		168.74
Foreign Currency Translation Reserve				(60.13)				(46.84)
B. Accruals								
1. Accrued severance payments	19,741		17.66		21,300		17.01	
2. Accrued pensions	55,615		49.76		57,192		45.67	
3. Accrued income taxes	1,750		1.57		-		-	
4. Other accruals	1,85,717	2,62,823	#####	235.16	2,34,875	3,13,367	187.55	250.23
C. Liabilities								
1. Bank loans and overdrafts	6,81,034		#####		9,53,709		761.56	
2. Accounts payable from trade	53,435		47.81		23,448		18.72	
3. Accounts payable to affiliated companies	1,04,804		93.77		42,179		33.68	
4. Other liabilities thereof due to taxes: EUR 188,387 (INR 168.56 Lakhs) (PY: TEUR 85,211); (INR 68.05 Lakhs) thereof due to social security: EUR 169,499 (INR 151.66 Lakhs) (PY: 29,653 (INR 23.68 Lakhs)	6,02,057	14,41,330	#####	1,289.62	3,92,535	14,11,871	313.45	######
				-				-
		16,19,814		1,449.33		18,75,398		######

Lux Österreich GmbH
Schwechat
Income Statement for the year ended 31 December 2020

PARTICULARS	INCOME STATEMENT FOR FY 2020				INCOME STATEMENT FOR FY 2019			
	EUR		INR Lakhs		EUR		INR Lakhs	
1. Net sales		23,38,871		2,002.05		34,96,361		2,733.53
2. Other operating income								
Income from Disposal and revaluation of fixed assets excluding								
a) Financial Assets			-		83		0.06	
b) Income from the reversal of accruals			-		5,059		3.96	
c) Sundry	34,315	34,315	29.37	29.37	117	5,259	0.09	4.11
3. Cost of materials and other purchased production services								
a) Cost of materials		(6,41,928)		(549.48)		(9,25,387)		(723.49)
4. Personnel expenses								
a) Wages and Salaries	(11,76,194)		(1,006.81)		(16,47,716)		(1,288.22)	
b) Expenses for social benefits thereof expenses for pensions Euro 4071.36 (INR 3.49 Lakhs)	(3,23,125)	(14,99,319)	(276.59)	(1,283.40)	(3,29,184)	(19,76,900)	(257.36)	(1,545.58)
5. Amortization and depreciation		(11,141)		(9.54)		(6,018)		(4.70)
6. Other operating expenses								
a) Sundry		(9,50,981)		(814.03)		(11,99,371)		(937.69)
7. Subtotal from line 1 to 6 (EBIT)		(7,30,183)		(625.03)		[illegible]		(473.82)
8. Income from other long-term securities		970		0.83		970		0.76
9. Other interest and similar income thereof from affiliated companies: EUR Nil		94,354		80.77		1,37,219		107.28
10. Income from disposal and revaluation of financial assets and short-term securities		582		0.50		-		-
11 Expenses for financial assets thereof depreciation: EUR 1,358 INR 96,565		-		-		1,843		1.44
12. Interest and similar expenses thereof for affiliated companies: Nil		(28,470)		(24.37)		(30,903)		(24.16)
13. Subtotal from line 8 to 11 (Financial result)		67,436		57.73		1,09,129		85.32
14. Result before Tax		(6,62,747)		(567.30)		(4,96,927)		(388.59)
15. Taxes on income		(1,752)		(1.50)		(1,748)		(1.37)
16. Net loss for the year / Net Income		(6,64,499)		(568.80)		(4,96,675)		(389.87)
17. Merger Loss		-		-		-		-
18. Loss for the year / Profit		(6,64,499)		(568.80)		(4,98,675)		(389.87)
19. Profit carried forward from prior year		(11,19,840)		(856.80)		(6,21,165)		(466.93)
20. Net profit		(17,84,339)		(1,425.60)		(11,19,840)		(856.80)

LUX PROFESSIONAL SA
(a wholly owned subsidiary of Lux International AG)

Financial Statements
For the Year ended December 31, 2020

VERGARA

Sociedad de Profesionales
Sargento Gauto N° 709 esq. Goya
Tel/ Fax: (595 - 21) 202-129
E-mail: auditoria@vergara.com.py

REVIEW REPORT OF THE INDEPENDENT AUDITOR

TO THE BOARD OF DIRECTORS OF

LUX PROFESSIONAL S.A.

ASUNCIÓN – PARAGUAY

We have reviewed the accompanying financial information of *LUX PROFESSIONAL S.A.*, which comprise the balance sheet as at 31 December 2020, the income statement for the year then ended, and a summary of significant accounting policies of Lux Group and other explanatory information (on pages 1 to 6).

Management's Responsibility for the financial information

Management is responsible for the preparation of this financial information in accordance with the accounting policies of Lux Group as stated in the explanatory information to this financial information, and for such internal control as management determines is necessary to enable the preparation of financial information that is free from material misstatement, whether due for fraud or error.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial information. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400 (Revised), Engagements to Review Historical financial information. ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the financial information, taken as a whole, is not prepared in all material respects in conformity with the applicable accounting policies of Lux Group as stated in the explanatory information to this financial information. This standard also requires us to comply with relevant ethical requirements.

A review of financial information prepared for consolidation purposes in accordance with ISRE 2400 (Revised) is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with international standards on auditing. Accordingly, we do not express an audit opinion on this financial information.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that this accompanying financial information as at and for the year ended 31 December 2020 is prepared, in all material respects, in conformity with the accounting policies of Lux Group as stated in the explanatory information to this financial information.

Delio Ivan Vergara Lapiuk
Socio
Vergara Sociedad de Profesionales
RUC: 80074956 - 3 - Matrícula CCPP 16
Sargento Gauto N° 709 esq. Goya
Asunción - Paraguay

VERGARA

Sociedad de Profesionales
Sargento Gauto N° 709 esq. Goya
Tel/ Fax: (595 - 21) 202-129
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Restriction on Use

This financial information has been prepared for purpose of providing to Lux International AG to enable it to prepare the consolidated financial information of the Lux Group. As a result, the financial information is not a completed set of financial information of *LUX PROFESSIONAL S.A.*, in accordance with Swiss GAAP FER and is not intend to give a true and fair view, in all material aspects, the balance sheet as at 31 December 2020, and of its financial performances. The financial information may, therefore not be suitable for another purpose and should not be used by parties other than *LUX PROFESSIONAL S.A.*, Lux International AG (Switzerland) and Eureka Forbes Limited (India).

Asunción, March 09, 2021

Delio Ivan Vergara Lapiuk
Socio
Vergara Sociedad de Profesionales
RUC: 80074955 - 3 - Matricula CCPP 16
Sargento Gauto N° 709 esq. Goya
Asunción - Paraguay

Enclosure:

- Financial information (balance sheet, income statement and a summary of significant accounting policies and other explanatory information (on pages 1 to 6).

LUX AQUA PARAGUAY S.A.

BALANCE SHEET

	December, 31			
ASSETS	2020 (MPYG)	2020 (INR LAKHS)	2019 (MPYG)	2019 (INR LAKHS)
Current Assets				
Cash Balance	1,064.00	115.23	44.00	4.77
Balance With Banks	-	-	-	-
Investments - Temporary	-	-	-	-
Debtors	426.00	46.14	223.00	24.15
Less: Doubtful Debts	-56.00	-6.06	-55.00	-5.96
Advances	-	-	47.00	5.09
Inventories	583.00	63.14	553.00	59.89
Pre-Paid Expenses	-	-	-	-
Total Current assets	2,017.00	218.45	812.00	87.94
Non current assets				
Accounts receivables - Net	-	-	-	-
Property, Plant and Equipment - Net	1,342.00	145.34	1,459.00	158.01
Intangible assets	3.00	0.32	7.00	0.76
Other assets	86.00	9.31	79.00	8.56
Total Non current assets	1,431.00	154.97	1,545.00	167.33
Total Assets	3,448.00	373.42	2,357.00	255.27
Liabilities				
Trade Creditors	498.00	53.93	420.94	45.59
Other Creditors	1,502.94	162.77	292.00	31.62
Financial Debts	-	-	-	-
Tax, salaries and social security	3.00	0.32	-	-
Labour Obligations and social charges	-	-	-	-
Accumulated Expenses to pay	-	-	-	-
Total Current liabilities	2,003.94	217.02	712.94	77.21
Long Term Debts from related parties	1,863.00	201.76	1,746.00	189.09
Other Payables	-	-	-	-
Provision for Long term obligations	-	-	-	-
Total Non current liabilities	1,863.00	201.76	1,746.00	189.09
Total Liabilities	3,866.94	418.78	2,458.94	266.30
EQUITY				
Capital				
Capital	2,500.00	271.50	2,500.00	271.50
Reserves				
Revaluation reserve	33.49	3.82	33.49	3.82
	33.49	3.82	33.49	3.82
Results	-2,635.43	-297.04	-1,674.43	-192.29
Result of the year	-317.00	-34.55	-961.00	-104.75
Foreign Currency Translation Reserve	-	10.91	-	10.69
	-2,952.43	-320.68	-2,635.43	-286.35
Total Equity	-418.94	-45.36	-101.94	-11.03
Total Liabilities and Equity	3,448.00	373.42	2,357.00	255.27
	-	-	-	-

LUX AQUA PARAGUAY S.A.

INCOME STATEMENT

		December, 31			
		2020 (MPYG)	2020 (INR LAKHS)	2019 (MPYG)	2019 (INR LAKHS)
Operating Income	1.00	1,006.00	109.65	1,026.00	111.83
Operating Costs	2.00	-302.00	-32.92	-397.00	-43.27
Other Income	3.00	-	-	36.00	3.92
Gross result		**704.00**	**76.73**	**665.00**	**72.48**
Sales or Commercialisation Expenses	4.00	-154.00	-16.79	-481.00	-52.43
Administration Expenses	5.00	-346.00	-37.71	-523.00	-57.01
Total Operating expenses		**-500.00**	**-54.50**	**-1,004.00**	**-109.44**
Net operating income		**204.00**	**22.23**	**-339.00**	**-36.96**
Bank and Financial Expenses	6.00	-301.00	-32.81	-593.00	-64.64
Depreciation & Amortisation	7.00	-211.00	-23.00	-24.00	-2.62
Other Non Operating Income	8.00	-	-	-	-
Result before income tax		**-308.00**	**-33.58**	**-956.00**	**-104.22**
Income tax		-9.00	-0.98	-5.00	-0.55
Net result		**-317.00**	**-34.56**	**-961.00**	**-104.77**

	December, 31			
	2020 (MPYG)	2020 (INR LAKHS)	2019 (MPYG)	2019 (INR LAKHS)
1. Operating Income				
Sales of Merchandise -				
Sales of Merchandise Taxed by VAT	-	-	322.00	35.10
Sales of Merchandise exempt by VAT	-	-	-	-
Sales of Taxed Services	-	-	-	-
Rental Products	1,006.00	109.65	741.00	80.77
Sale of Spares and accessories	-	-	-	-
(-) Granted Discounts	-	-	-	-
(-) Returns	-	-	-37.00	-4.03
Total Operating Income	**1,006.00**	**109.65**	**1,026.00**	**111.84**
2. Operative Costs				
Cost of Merchandise Taxed by VAT	-	-	-	-
Cost of Merchandise Exempt by VAT	-210.00	-22.89	-382.00	-41.64
Other Cost of Spare Parts	-92.00	-10.03	-15.00	-1.64
Total Operative Costs	**-302.00**	**-32.92**	**-397.00**	**-43.28**
3. Other Income				
Earned Interests	-	-	36.00	3.92
Other Income on Sales	-	-	-	-
Total Other Income	-	-	**36.00**	**3.92**
4. Sales or Commercialisation Expenses				
Salaries	-4.00	-0.44	-80.00	-8.72
Employer Contribution	-	-	-	-
Other Benefits to Staff	-	-	-	-
Prizes and Motivations to Staff	-	-	-	-
Vacations	-	-	-	-
Bonus	-	-	-	-
Paid Commission on Sales	-89.00	-9.70	-173.00	-18.86
Allowances for salesmen	-	-	-	-
Publicity and Propaganda	-	-	-79.00	-8.61
Paid Freight	-	-	-	-
Sales Vehicle Fuel	-5.00	-0.55	-31.00	-3.38
Sales Vehicle Repair	-	-	-	-
Other costs of sales vehicles	-	-	-	-
Training , Coaching	-	-	-	-
Other non deductible sales Expenses	-	-	-	-
Other Sales Expenses	-56.00	-6.10	-118.00	-12.86
Total Sales or Commercialisation Expenses	**-154.00**	**-16.79**	**-481.00**	**-52.43**

5. Administration Expenses				
Wages & Salaries	-62.00	-6.76	-172.00	-18.75
Employer Contribution	-	-	-	-
Vacations - Administration	-	-	-	-
Bonus Administration	-	-	-	-
Family Bonus Administration	-	-	-	-
Paid Commissions	-	-	-	-
Other Benefits	-	-	-	-
Total Salaries and Other Remunaration	-62.00	-6.76	-172.00	-18.75
Superior Remuneration	-	-	-	-
Professional Fees	-18.00	-1.96	-18.00	-1.96
Rentals	-2.00	-0.22	-44.00	-4.80
Water, Electricity, Telephone & Internet	-	-	-4.00	-0.44
Mobility	-	-	-2.00	-0.22
Fuel and Lubricants	-	-	-	-
Repairs and Maintenance	-	-	-2.00	-0.22
Paid Insurance	-12.00	-1.31	-6.00	-0.65
Office Supplies	-	-	-	-
Expenses Paid Abroad	-	-	-	-
Judgements and Judicial Expenses	-	-	-	-
Collection Expenses	-41.00	-4.47	-48.00	-5.23
Low Inventories	-	-	-	-
General Expenses	-205.00	-22.35	-202.00	-22.02
External Audit Fees	-6.00	-0.65	-14.00	-1.53
Representation Expenses	-	-	-	-
Commercial Patents	-	-	-	-
Real Estate Tax	-	-	-	-
VAT Deductible Cost	-	-	-	-
Fines and Recharges	-	-	-	-
Reserve of the Exercise	-	-	-	-
Tax on royalties,interests,freight and Insurance	-	-	-	-
Computing Expenses	-	-	-11.00	-1.20
Other Taxes	-	-	-	-
Total Administration Expenses	**-346.00**	**-37.72**	**-523.00**	**-57.02**

	December, 31			
	2020 (MPYG)	**2020 (INR LAKHS)**	**2019 (MPYG)**	**2019 (INR LAKHS)**
6. Bank and Financial Expenses				
Interests to Bank and Financial Entities	-	-	-238.00	-25.94
Other Paid Interest	-127.00	-13.84	-10.00	-1.09
Result of Exchange Rate Difference	-174.00	-18.97	-345.00	-37.61
Royalties	-	-	-	-
Total Bank and Financial Expenses	**-301.00**	**-32.81**	**-593.00**	**-64.64**
7. Depreciation and Amortisation of Assets				
Depreciations of the Exercise	-207.00	-22.56	-20.00	-2.18
Amortisations of the Exercise	-4.00	-0.44	-4.00	-0.44
Total Depreciation and Amortisation	**-211.00**	**-23.00**	**-24.00**	**-2.62**
8. Other Non Operating Income				
Profit / Loss for Sale of Fixed Assets	-	-	-	-
Profit / Loss for Sale of Investment Sale	-	-	-	-
Other Income	-	-	-	-
Total Other Non operating Income	**-**	**-**	**-**	**-**

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2019 AND 2020

Significant accounting policies of Lux Group and other explanatory information of LUX PROFESSIONAL S.A.

Basis of preparation and explanatory information

The financial information of LUX PROFESSIONAL S.A. have been prepared for purposes of providing Lux International AG and its subsidiaries (Lux Group) to enable to prepare the consolidated financial information of the group. The consolidated financial statements constitute a true and fair view of the Lux group's financial position and earnings in accordance with Swiss GAAP FER.

As result, the financial information of LUX PROFESSIONAL S.A. is not a completed set of financial information of in accordance with Swiss GAAP FER and is not intend to give a true and fair view, in all material aspects, the balance sheet as at 31 December 2020, and its financial performances. The financial information may, therefore not be suitable for another purposes.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, deposits held at call with banks, other short term and highly liquid investments with original maturities of three months or less from the balance sheet date.

Restricted cash and cash equivalents

Restricted cash and cash equivalents includes funds that are not available for on-going operations.

Accounts receivable

Accounts receivable are initially recorded at their nominal value after deduction of hire purchase charges not due. All receivables are value adjusted according to the time they are overdue.

• not due (hire purchase only)	1%
• overdue up to one month	5%
• overdue 1 to 2 months	25%
• overdue 2 to 4 months	50%
• overdue 4 to 6 months	80%
• overdue 6 months and more	100%

In any case, an additional provision for doubtful trade receivables is made if there is impartial evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Indicators that the trade receivable is impaired might be significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, financial reorganization and default or delinquency in payments. The amount of the provision is recognized in the income statement within Net Credit Direct Sales (CDS) result.

Hire purchase (HP) charges

Firmado al solo efecto de su Identificación con el Dictamen de

Fecha: 09 MAR 2021

VERGARA SOCIEDAD DE PROFESIONALES
RUC: 80074935 - 3 - Matrícula N° CCPP 14
Sargento Gauto N° 709 esq. Goya

Julia Sandoval
Lux Professional S.A.
RUC: 80096293-6

000003

Charges to the customer arising from sales on credit are only reported as income to the extent that the charges are due. Unearned charges are calculated on an annuity basis over the period of the hire purchase contract.

Loans

The loans are booked at cost less additional provision for doubtful loans if there is impartial evidence that the Group will not be able to collect all amounts due according to the original terms of the loan contracts.

Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is determined using the average cost flow assumption method. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Value adjustments are effected for obsolete stock.

Property, plant and equipment

As of this year, it is mandatory to determine the residual value of fixed assets, as well as their depreciation.

The depreciation of fixed assets is the systematic distribution of the wear or deterioration experienced by the asset, which should consider the useful life estimate for each type or class of fixed assets. The method used is the straight line.

The residual value of the fixed asset is the estimated amount that the company expects to obtain from the disposal of the asset at the end of its useful life, after deducting the costs expected at that time.

The percentage of residual value and the years of useful life are determined by the Tax Law of Paraguay through Article 31 of Decree 3.182 / 19.

Intangible assets

Patents, licenses and trademarks

Intangible assets are recorded in assets, provided that they represent a real investment and it is acquired through a purchase.

The registration and organization expenses of these assets may be deducted in the year in which said expense was incurred or amortized at a fixed rate, in the period established by the Paraguayan Tax Law, which is currently 5 years-

Trade liabilities

Trade liabilities include short-term and non-interest bearing liabilities resulting from ordinary business activities.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

Identificación con el Dictamen de

Fecha: 09 MAR 2021

VERGARA SOCIEDAD DE PROFESIONALES
RUC: 80074955 - 3 - Matrícula N° CCPP 16
Sargento Gauto N° 709 esq. Goya

Julia Sandoval
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RUC: 80095293-6

000004

Restructuring provisions are reported in the event of any necessary reorganization of activity sectors or newly acquired subsidiaries. Restructuring provisions comprise i.e. lease termination and employee termination payments.

Taxes

Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the balance sheet date.

Deferred tax

Deferred income tax is provided using the balance sheet liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for SWISS GAAP FER financial reporting purposes. Deferred income tax assets are recognized for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. A deferred tax liability is recognized for all taxable temporary differences, unless the deferred tax liability arises from goodwill for which amortization is not tax deductible. Non-recoverable withholding taxes are only accrued if a distribution by subsidiary companies is foreseen.

Revenue recognition

Revenue comprises that fair value of the consideration received or receivable for the sale of goods in the ordinary course of the Group's activities. Revenue is shown, net of value-added tax, estimated returns and after elimination of sales within the Group.

Sales Commission

Sales commission is paid by product suppliers as a contribution to marketing and promotion activities.

Interest income

Interest income is recognized as it accrues on an effective yield basis, when it is determined that such income will flow to the Group.

Lease

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the lessee.

Assets held under finance leases are recognized as assets of the Group at their fair value. The corresponding liability is included in the balance sheet as a finance lease obligation. Finance costs, which represent the difference between the total leasing commitment and the fair value of the assets acquired, are charge to the profit and loss statement over the term of

Firmado al solo efecto de su identificación

Fecha: 09 MAR 2021

VERGARA SOCIEDAD DE PROFESIONALES
RUC: 80074955 - 3 - Matrícula N° CCPP 16
Sargento Gauto N° 799 esq. Goya

Julia Sandoval
Lux Profesional S.A.
RUC: 80065293-6

000005

the relevant lease so as to produce a constant periodic interest charge on the remaining balance of the obligations for each accounting period. The Company considers a relevant lease a term of more than 12 months.

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rentals payable under operating leases are charge to the profit and loss statements as incurred.

Management assumptions and significant estimates

The preparation of financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised.

Firmado al solo efecto de su identificación con el Dictamen de

Fecha: 09 MAR 2021

VERGARA SOCIEDAD DE PROFESIONALES
RUC: 80074865 - 3 - Matrícula N° CCPP 16
Sargento Gauto N° 789 esq. Goya

Julia Sandoval
Lux Professional S.A.
RUC: 80095293-5

000006

LUX SCHWEIZ AG
(a wholly owned subsidiary of Lux International AG)

Financial Statements
For the Year ended December 31, 2020

Significant accounting policies of Lux Group and other explanatory information of Lux Switzerland Ltd

Basis of preparation and explanatory information

The financial information of Lux Switzerland Ltd have been prepared for purposes of providing Lux International AG and its subsidiaries (Lux Group) to enable to prepare the consolidated financial information of the group. The consolidated financial statements constitute a true and fair view of the Lux group's financial position and earnings in accordance with Swiss GAAP FER.

As result, the financial information of Lux Switzerland Ltd is not a completed set of financial information of in accordance with Swiss GAAP FER and is not intend to give a true and fair view, in all material aspects, the balance sheet as at 31 December 2020, and its financial performances. The financial information may, therefore not be suitable for another purposes.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, deposits held at call with banks, other short term and highly liquid investments with original maturities of three months or less from the balance sheet date.

Restricted cash and cash equivalents

Restricted cash and cash equivalents includes funds that are not available for on-going operations.

Accounts receivable

Accounts receivable are initially recorded at their nominal value after deduction of hire purchase charges not due. All receivables are value adjusted according to the time they are overdue.

• not due (hire purchase only)	1 %
• overdue up to one month	5 %
• overdue 1 to 2 months	25 %
• overdue 2 to 4 months	50 %
• overdue 4 to 6 months	80 %
• overdue 6 months and more	100 %

In any case, an additional provision for doubtful trade receivables is made if there is impartial evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Indicators that the trade receivable is impaired might be significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, financial reorganisation and default or delinquency in payments. The amount of the provision is recognised in the income statement within Net Credit Direct Sales (CDS) result.

Hire purchase (HP) charges

Charges to the customer arising from sales on credit are only reported as income to the extent that the charges are due. Unearned charges are calculated on an annuity basis over the period of the hire purchase contract.

Loans

The loans are booked at cost less additional provision for doubtful loans if there is impartial evidence that the Group will not be able to collect all amounts due according to the original terms of the loan contracts.

KPMG

Inventories

Inventories are stated at the lower of cost or net realisable value. Cost is determined using the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.
Value adjustments are applied for obsolete stock. The valuation of obsolete inventories has to be performed on a quarterly basis. The value of inventories is adjusted according to the time they are not moving.

- non-moving for 3 months 25 %
- non-moving for 6 months 50 %
- non-moving for 9 months 75 %
- non-moving for 12 months and more 100 %

Property, plant and equipment

Property, plant and equipment (tangible fixed assets) are capitalised if they can be used during more than one year. Tangible fixed assets are stated at acquisition or construction cost less accumulated depreciation using the straight-line method over the estimated useful lifetime. The following useful lifetimes are generally applied:

➢ Computer equipment	3 years
➢ Office machines	3 years
➢ Tooling and demo kits	5 years
➢ Vehicles	5 years
➢ Machines	10 years
➢ Land and improvement	15 years
➢ Buildings	20 - 40 years
➢ Leasehold improvements	period of lease

Intangible assets

Patents, licenses and trademarks

Patents, licenses and trademarks are measured initially at cost. Based on reliable cost measurements, intangible assets are recognised on the probability of the future economic benefits as well as proper attribution to the asset. After initial recognition, intangible assets are recognised at cost less accumulated amortisation and any accumulated impairment losses. Patents, licenses and trademarks are amortised on a straight line basis over the best estimate of their useful lives but not exceeding 10 years. The amortisation periods are reviewed annually at each financial year end.

Development costs

Indirect development costs for products are expensed. 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 asset and the ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefits.

KPMG

Goodwill

The excess of the cost of an acquisition over the Group's interest in the fair value of the net identifiable assets acquired as at the date of the exchange transaction is recorded as goodwill and recognised as an asset in the balance sheet.

When the Group acquires additional interests in a joint venture the excess of the cost of this acquisition compared to the book value of the acquired net assets is recognized as goodwill. After initial recognition goodwill is measured at cost less accumulated amortisation and accumulated impairment losses.

Goodwill is amortised on a straight line basis over the estimated useful life of 5 years. Any negative goodwill (badwill) resulting from the acquisition of a subsidiary or interest in a joint venture is recorded to the income statement in the period of the transaction.

Impairment of assets

The carrying amount of the Group's assets, other than inventories and receivables, are reviewed by Group management at each balance sheet date to determine whether there is any indication of impairment. The review is based on events and signs that point to possible overvaluations in book values. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount.

Impairment losses are recognised in the income statement. The recoverable amount is the higher of the net selling price and value in use. An impairment loss with respect to goodwill is not reversed. In respect to other assets, an impairment loss is – fully or partially - reversed if there has been a change in the estimates used to determine the recoverable amount.

Trade liabilities

Trade liabilities include short-term and non-interest bearing liabilities resulting from ordinary business activities.

Bank debts

Borrowings are initially recognised at the proceeds received. They are subsequently carried at normal values. Bank debts are classified long term and short term.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

Restructuring provisions are reported in the event of any necessary reorganisation of activity sectors or newly acquired subsidiaries. Restructuring provisions comprise i.e. lease termination and employee termination payments.

Taxes

Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the balance sheet date.

Deferred tax

Deferred income tax is provided using the balance sheet liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for SWISS GAAP FER financial reporting purposes. Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. A deferred tax liability is recognised for all taxable temporary differences, unless the deferred tax liability arises from goodwill for which amortisation is not tax deductible. Non-recoverable withholding taxes are only accrued if a distribution by subsidiary companies is foreseen.

Revenue recognition

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, discounts, VAT, GST, credit notes issued for various schemes and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing effective control over, or managerial involvement with, the goods, and the amount of revenue can be measured reliably.

Sales commission is paid by product suppliers as a contribution to marketing and promotion activities. The billing is done based on supplies affected to the Group at the agreed prices and revenue is recognized net of sales tax and GST. The Income pertaining to commissioning is done based on a monthly basis and revenue is recognized net of tax.

Lease

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the lessee.

Assets held under finance leases are recognised as assets of the Group at their fair value. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Finance costs, which represent the difference between the total leasing commitment and the fair value of the assets acquired, are charged to the profit and loss statement over the term of the relevant lease so as to produce a constant periodic interest charge on the remaining balance of the obligations for each accounting period.

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rentals payable under operating leases are charged to the profit and loss statement as incurred.

Management assumptions and significant estimates

The preparation of financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

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Independent practitioner's review report to the Board of Directors of

Lux Switzerland Ltd, Wallisellen (Switzerland)

We have reviewed the accompanying financial information of Lux Switzerland Ltd, which comprise the balance sheet as at 31 December 2020, the income statement for the year then ended, notes and a summary of significant accounting policies of Lux Group and other explanatory information (on pages 5 to 8).

Management's Responsibility for the financial information

Management is responsible for the preparation of this financial information in accordance with the accounting policies of Lux Group as stated in the explanatory information to this financial information, and for such internal control as management determines is necessary to enable the preparation of financial information that is free from material misstatement, whether due to fraud or error.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial information. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400 (Revised), Engagements to Review Historical financial information. ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the financial information, taken as a whole, is not prepared in all material respects in conformity with the applicable accounting policies of Lux Group as stated in the explanatory information to this financial information. This standard also requires us to comply with relevant ethical requirements.

A review of financial information prepared for consolidation purposes in accordance with ISRE 2400 (revised) is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with international standards on auditing. Accordingly, we do not express an audit opinion on this financial information.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that this accompanying financial information as at and for the year ended 31 December 2020 is not prepared, in all material respects, in conformity with the accounting policies of Lux Group as stated in the in the explanatory information to this financial information.

Restriction on Use

This financial information has been prepared for purposes of providing to Lux International AG to enable it to prepare the consolidated financial information of the Lux group. As a result, the financial information is not a completed set of financial information of Lux Switzerland Ltd (Switzerland) in accordance with Swiss GAAP FER and is not intend to give a true and fair view, in all material aspects, the balance sheet as at 31 December 2020, and of its financial performances. The financial information may, therefore not be suitable for another purpose and should not be used by parties other than Lux Switzerland Ltd (Switzerland), Lux International AG (Switzerland) and Eureka Forbes Limited (India).

KPMG AG

Roman Wenk

Yvonne Lingg

Zurich, 17 March 2021

Enclosure:
- Financial information (balance sheet, income statement, notes and a summary of significant accounting policies and other explanatory information (on pages 5 to 8))

Lux Switzerland

Statement of Financial Position as of 31st December 2020

ASSETS	31.12.2020 CHF	31.12.2020 INR Lakhs	31.12.2019 CHF	31.12.2019 INR Lakhs
A. FIXED ASSETS				
I Intangible Assets	-	-	-	-
II Tangible Assets	-	-	-	-
1. Motor vehicles	2,000	1.65	15,000	11.04
III Financial Investments				
1. Long term accounts receivable from trade	13,000	10.75	-	-
1. Long term loans third parties	-	-	18,000	13.25
	13,000	10.75	18,000	13.25
B. CURRENT ASSETS				
I. Inventories				
1. Finished goods and merchandise	1,45,000	119.87	74,000	54.45
II. Receivables				
1. Accounts receivable from trade	1,41,000	116.56	1,12,000	82.41
2. Receivables Intercompany	-	-	-	-
3. Other receivables third parties	-	-	-	-
	1,41,000	116.56	1,12,000	82.41
III. Cash on hand and in banks, checkes	29,000	23.97	-	-
	3,15,000	260.40	1,86,000	136.87
C. PREPAYMENTS				
1. Prepaid expenses	-	-	30,000	22.08
TOTAL ASSETS	3,30,000	272.80	2,49,000	183.22

LIABILITIES AND SHAREHOLDER'S EQUITY	31.12.2020 CHF	31.12.2020 INR Lakhs	31.12.2019 CHF	31.12.2019 INR Lakhs
A. SHAREHOLDER'S EQUITY				
I Share capital	7,00,000	547.20	3,00,000	216.54
II Capital reserves	1,22,000	81.14	1,22,000	81.14
III Revenue Reserves	7,000	5.79	-	-
IV Retained earnings	-4,77,000	-341.02	-74,000	-54.45
V Dividend	-	-	-	-
VI Net profit	-2,46,000	-196.39	-4,03,000	-286.57
FCTR		-9.09		2.87
	1,06,000	87.63	-55,000	-40.47
B. PROVISIONS				
I Provision for guarantees (long term)	16,000	13.23	16,000	11.77
II Provision for restructuring (short term)	-	-	-	-
III Other provision (short term)	-	-	42,000	30.91
	16,000	13.23	58,000	42.68
C. LIABILITIES				
I Current liabilities				
1. Current liabilities accounts external	40,000	33.07	27,000	19.87
2. Current liabilities accounts intercompany	48,000	39.68	1,35,000	99.34
3. Current liabilities against public institutions	16,000	13.23	-	-
3. Other current liabilities third parties	7,000	5.79	-	-
	1,11,000	91.76	1,62,000	119.21
II Bank overdrafts				
1. Cash in transit	97,000	80.19	84,000	61.81
TOTAL EQUITY AND LIABILITIES	3,30,000	272.80	2,49,000	183.22
			-	-

Lux Switzerland Ltd

Income Statement for the year ended 31st December 2020

	31.12.2020			31.12.2019		
	TCHF	CHF	INR - Lakhs	TCHF	CHF	INR - Lakhs
1 Net Sales	724	7,24,000	577.99	399	3,99,000	283.72
2 Other operating Income	-	-	-	-	-	-
3 Cost of Materials and other purchased production services	-175	-1,75,000	-139.71	-71	-71,000	-50.49
4 Personnel expenses	-412	-4,12,000	-328.91	-328	-3,28,000	-233.23
5 Amortization and depreciation of tangible and intangible assets	-	-	-	-	-	-
6 Other operating expenses	-472	-4,72,000	-376.81	-397	-3,97,000	-282.30
7 Subtotal from line 1 to 5 (EBIT)	-335	-3,35,000	-267.44	-397	-3,97,000	-282.30
8 Exchange difference	90	90,000	71.85	-3	-3,000	-2.13
9 Financial result	90	90,000	71.85	-3	-3,000	-2.13
10 Result before tax	-245	-2,45,000	-195.59	-400	-4,00,000	-284.43
11 Taxes on income	1	1,000	0.80	3	3,000	2.13
12 Profit for the year	-246	-2,46,000	-196.39	-403	-4,03,000	-286.57
13 Profit carried forward from prior year	-	-	-	-	-	-
14 Net profit	-246	-2,46,000	-196.39	-403	-4,03,000	-286.57

LUX WELITY POLSKA SP.ZO.O.
(a subsidiary of Lux International AG)

Financial Statements
For the Year ended December 31, 2020

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Independent practitioner's review report to the Board of Directors of

Lux Welity Polska Sp. z o.o. (Poznań)

We have reviewed the accompanying financial information of Lux Welity Polska Sp. z o.o. (Poznań), which comprise the balance sheet as at 31 December 2020, the income statement for the year then ended, notes and a summary of significant accounting policies of Lux Group and other explanatory information (on pages 5 to 8).

Management's Responsibility for the financial information

Management is responsible for the preparation of this financial information in accordance with the accounting policies of Lux Group as stated in the explanatory information to this financial information, and for such internal control as management determines is necessary to enable the preparation of financial information that is free from material misstatement, whether due to fraud or error.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial information. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400 (Revised), Engagements to Review Historical financial information. ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the financial information, taken as a whole, is not prepared in all material respects in conformity with the applicable accounting policies of Lux Group as stated in the explanatory information to this financial information. This standard also requires us to comply with relevant ethical requirements.

A review of financial information prepared for consolidation purposes in accordance with ISRE 2400 (revised) is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with international standards on auditing. Accordingly, we do not express an audit opinion on this financial information.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that this accompanying financial information as at and for the year ended 31 December 2020 is not prepared, in all material respects, in conformity with the accounting policies of Lux Group as stated in the in the explanatory information to this financial information.

KPMG

Restriction on Use

This financial information has been prepared for purposes of providing to Lux International AG to enable it to prepare the consolidated financial information of the Lux group. As a result, the financial information is not a completed set of financial information of Lux Welity Polska Sp. z o.o. (Poznań) in accordance with Swiss GAAP FER and is not intend to give a true and fair view, in all material aspects, the balance sheet as at 31 December 2020, and of its financial performances. The financial information may, therefore not be suitable for another purpose and should not be used by parties other than Lux Welity Polska Sp. z o.o. (Poznań), Lux International AG (Switzerland) and Eureka Forbes Limited (India).

KPMG AG

Roman Wenk

Roman Wenk

Y. Lingg

Yvonne Lingg

Zurich, 17 March 2021

Enclosure:

- Financial information (balance sheet, income statement, notes and a summary of significant accounting policies and other explanatory information (on pages 5 to 8)

Lux Wellity Polska Sp. z o.o.
Balance Sheet

PARTICULARS	2020 TPLN	2020 INR lakhs	2019 TPLN	2019 INR lakhs
Assets				
Cash and bank balances	417	81.55	74	13.88
Cash in transit	-	-	-	-
Restricted Cash in general	-	-	-	-
Marketable securities (short-term)	-	-	-	-
Restricted marketable securities in general	-	-	-	-
Short-term deposits (< 90 days)	-	-	-	-
TOTAL CASH & - EQUIVALENT	**417**	**81.55**	**74**	**13.88**
Total Trade receivables gross	43	8.41	10	1.88
Total Other receivables TP gross	13	2.54	38	7.13
Less bad debts allowances	-	-	-	-
Total Other receivables TP net	**56**	**10.95**	**48**	**9.01**
Receivables RP gross	-	-	-	-
Less bad debts allowances RP	-	-	-	-
TOTAL RECEIV. NET RP	-	-	-	-
Receivables IC gross	-	-	-	-
Less bad debts allowances IC	-	-	-	-
TOTAL RECEIV. NET IC	-	-	-	-
Total Hire Purchase short-term gross	-	-	-	-
Total Short Credits	-	-	-	-
Less provision for unearned Hire-Purchase	-	-	-	-
Less bad debts allowances	-	-	-	-
Refundable Sales Tax	-	-	-	-
TOTAL RECEIVABLES NET	-	-	-	-
TOTAL RECEIVABLES	**56**	**10.95**	**48**	**9.01**
Raw Materials	-	-	-	-
Semi finished products	-	-	-	-
Finished products gross	181	35.40	108	20.26
Less inventory allowances finished products	-	-	-	-
Demo Units	46	9.00	-	-
Aeroguard	-	-	-	-
Less inventory allowances Aeroguard	-	-	-	-
Goods in transit	-	-	-	-
Less inventory allowances Others	-	-	-	-
TOTAL INVENTORIES NET	**227**	**44.40**	**108**	**20.26**
Accrued income & Prepaym. TP	-	-	-	-
Accrued income & Prepaym. RP	-	-	-	-
Accrued income & Prepaym. IC	-	-	-	-
TOTAL ACCR. INCOME & PREPAYM.	-	-	-	-
TOTAL CURRENT ASSETS	**700**	**136.90**	**230**	**43.15**
Long-term loans TP gross	-	-	-	-
Less Value adj. - Long-term loans TP	-	-	-	-
TOTAL LOANS TP NET	-	-	-	-
Hire Purchase Long-term gross	-	-	-	-
Less Value adj. - hire Purchase Long-term	-	-	-	-
TOTAL HIRE PURCHASE LONG-TERM NET	-	-	-	-
Other investments TP gross	-	-	-	-
Less value-adjustments - Other invest TP	-	-	-	-
OTHER INVESTMENTS TP NET	-	-	-	-
Long-term loans RP gross	-	-	-	-
Less value adj. Long-term loans RP	-	-	-	-
TOTAL LOANS RP NET	-	-	-	-
Long-term loans IC gross	-	-	-	-
Less value adj long-term loans IC	-	-	-	-
TOTAL LONG-TERM LOANS IC NET	-	-	-	-
Investments in companies - IC & RP gross	-	-	-	-
Less value-adjustments - Investments in companies IC & RP	-	-	-	-
TOTAL INVESTMENTS IN COMPANIES IC & RP NET	-	-	-	-
TOTAL FINANCIAL ASSETS	-	-	-	-
TREASURY SHARES	-	-	-	-
Furniture, fixtures & office equipm.	10	1.96	-	-
Plant & Machinery	-	-	11	2.06
Plant & Machinery (finance lease)	-	-	-	-

Lux Welity Polska Sp. z o.o.
Balance Sheet

PARTICULARS	2020 TPLN	2020 INR lakhs	2019 TPLN	2019 INR lakhs
Motor vehicles	-	-	-	-
Land and Buildings	-	-	-	-
Improvements	-	-	-	-
Leasehold improvements	-	-	-	-
Other equipment	-	-	-	-
TOTAL FIXED TANGIBLE ASSETS	10	1.96	11	2.06
Patents, labels and licences	-	-	-	-
Goodwill / Badwill	-	-	-	-
Other intangible assets	-	-	-	-
TOTAL INTANGIBLE ASSETS	-	-	-	-
Deferred tax assets	-	-	-	-
TOTAL NON-CURRENT ASSETS	10	1.96	11	2.06
TOTAL	710	138.86	241	45.21
Liability & Equity				
Bank overdrafts	-	-	-	-
Bank liabilities - due within 1 year	-	-	-	-
Cash in transit	-	-	-	-
BANK OVERDRAFTS	-	-	-	-
Current liabilities from refinancing	-	-	-	-
Current liabilities accounts external	118	23.08	13	2.44
Cur. liab. against public instit./ health insurance	-	-	-	-
Value added tax (VAT) payable	41	8.02	-	-
Withholding tax payable	-	-	-	-
Social security premiums	19	3.72	25	4.69
Income tax liabilities	12	2.35	5	0.94
Current liabilities against employees / salesforce	-	-	-	-
Commissions for agents	-	-	-	-
Personnel	82	16.04	100	18.76
Other current liabilities TP	3	0.59	21	3.94
Advances from customer	-	-	-	-
Current liabilities accounts RP	-	-	-	-
Current liabilities accounts IC	239	46.74	462	86.68
CURRENT LIABILITIES	514	100.54	626	117.45
Accrued exp. and prepaid income TP	-	-	-	-
Accrued exp. and prepaid income RP	-	-	-	-
Accrued exp. and prepaid income IC	-	-	-	-
TOTAL ACCRUED EXP. AND PREP. INCOME	-	-	-	-
Provision for restructuring (short-term)	-	-	-	-
Provision for human resource (short-term)	-	-	-	-
Provision for taxes (short-term)	-	-	-	-
Other provision (short-term)	-	-	-	-
TOTAL PROVISIONS (short-term)	-	-	-	-
TOTAL CURRENT LIABILITIES	514	100.54	626	117.45
Provision for pensions (long-term)	-	-	-	-
Provision for guarantees (long-term)	-	-	-	-
Provision for restructuring (long-term)	-	-	-	-
Provision for human resource (long-term)	-	-	-	-
Provision for taxes (long-term)	-	-	-	-
Other provision (long-term)	-	-	-	-
TOTAL PROVISIONS (long-term)	-	-	-	-
Bank debts (long-term)	-	-	-	-
Other non-current liabilities TP	-	-	-	-
Shareholder loans	-	-	-	-
Finance lease liability (long-term)	-	-	-	-
Long-term loans payable RP	-	-	-	-
Long-term loans payable IC	-	-	-	-
Other long-term liabilities	-	-	-	-
OTHER NON-CURRENT LIABILITIES	-	-	-	-
Deferred tax liabilities	-	-	-	-
TOTAL NON-CURRENT LIABILITIES	-	-	-	-
Share capital	100	18.76	100	18.76
Capital reserves	1,350	264.01	-	-
Revenue Reserves	-	-	-	-

Lux Welity Polska Sp. z o.o.
Balance Sheet

PARTICULARS	2020 TPLN	2020 INR lakhs	2019 TPLN	2019 INR lakhs
Equity Bond	-	-	-	-
Reserves for own shares	-	-	-	-
Revaluation reserves	-	-	-	-
Untaxed reserves	-	-	-	-
Minority interests: equity ./. result	-	-	-	-
Minority interests: result current period	-	-	-	-
Retained earnings	(485)	(88.23)	-	-
Dividend Paid to Parent Co	-	-	-	-
FCTR	-	-	-	-
Profit (Loss)	(769)	(145.33)	(485)	(88.23)
rounding difference / CTA	-	(10.89)	-	(2.77)
Total equity	**196**	**38.32**	**(385)**	**(72.24)**
TOTAL	**710**	**138.86**	**241**	**45.21**
	-	-	-	-

Lux Welity Polska Sp. z o.o.
Profit & Loss Statement

PARTICULARS	2020 TPLN	2020 INR Lakhs	2019 TPLN	2019 INR Lakhs
Sales - Direct Sales - Cash - to TP	1,724	325.76	48	8.73
Sales - Direct Sales - Invoice/short credit - to TP	-	-	-	-
Sales - Direct Sales - Lux Credit - to TP	-	-	-	-
Sales - Direct Sales - Bank Credit - to TP	-	-	-	-
Sales - Direct Sales - Wholesale to Distributors	-	-	-	-
After Sales Filter/dustbags - to TP	-	-	-	-
After Sales Annual Maint. contracts	-	-	-	-
Returns Products, external	-	-	-	-
Reserve for bad debts - TP (not CDS)	-	-	-	-
Loss on receivables - TP	-	-	-	-
Net Sales,External	**1,724**	**325.76**	**48**	**8.73**
- Net Sales, Sales to Group -> AC03-A	-	-	-	-
- Net Sales, Sales to Related parties -> AC03-A	-	-	-	-
- Returns from Group -> AC03-A	-	-	-	-
- Returns from Related parties -> AC03-A	-	-	-	-
Net Sales,Total	1,724	325.76	48	8.73
Cost Direct Sales ex Factory	(684)	(129.25)	(20)	(3.64)
Cost After Sales Filter/Dustbags ex Factory	-	-	-	-
Cost AMC ex Factory	-	-	-	-
Freight & transportation, demurrage	-	-	-	-
Duties	-	-	-	-
Gross Profit,External	1,040	196.51	28	5.09
Landed Cost Sales to Group	-	-	-	-
Landed Cost Sales to Related parties -> AC03-A	-	-	-	-
Gross Profit,Internal	-	-	-	-
Other revenue	-	-	-	-
Income from license/patents - TP	-	-	-	-
Income from license/patents - IC -> AC03-A	-	-	-	-
Income from Services - IC -> AC03-A	-	-	-	-
Income from Services - RP -> AC03-A	-	-	-	-
Other income	-	-	-	-
Gross Profit	1,040	196.51	28	5.09
Salesmen, remuneration variable to sales	(431)	(81.44)	-	-
Salesmen, remuneration non-variable to sales	(39)	(7.37)	(9)	(1.64)
Salesmen, vehicles and transport exp	-	-	-	-
TOTAL SALESMEN	**(470)**	**(88.81)**	**(9)**	**(1.64)**
Sales management, variable to sales	(65)	(12.28)	(3)	(0.55)
Sales management, non-variable to sales	(285)	(53.85)	(78)	(14.19)
Sales management, vehicle and transport exp	(65)	(12.28)	(26)	(4.73)
Sales management, travel exp	(10)	(1.89)	(3)	(0.55)
TOTAL SALES MANAGEMENT	**(425)**	**(80.30)**	**(110)**	**(20.02)**
Telemarketing Staff	-	-	-	-
Telemarketing Management	-	-	-	-
Telemarketing Telephone exp	-	-	-	-
Other Lead Expenses	(1)	(0.19)	(1)	(0.18)

Lux Welity Polska Sp. z o.o.
Profit & Loss Statement

PARTICULARS	2020 TPLN	2020 INR Lakhs	2019 TPLN	2019 INR Lakhs
Telemarketing Income from Salesmen	-	-	-	-
TOTAL TELEMARKETING	**(1)**	**(0.19)**	**(1)**	**(0.18)**
Sales Administration Staff Branch Offices	-	-	-	-
Premises Branch Offices	-	-	-	-
Trade fair Expenses	(2)	(0.38)	-	-
Incentive/SP for Salesmen & Management	(27)	(5.10)	(1)	(0.18)
Postage, Telephone	(2)	(0.38)	-	-
Advertising and PR	(79)	(14.93)	(6)	(1.09)
Demo and other Sales Expenses	(11)	(2.08)	(6)	(1.09)
Recruitment / training	(19)	(3.59)	(12)	(2.18)
Delivery exp to customers	(2)	(0.38)	-	-
Guarantee result	-	-	-	-
Guarantee costs - spareparts	-	-	-	-
Guarantee costs - other	-	-	-	-
Guarantee income - allowance from supplier	-	-	-	-
TOTAL OTHER SALES EXPENSES	**(142)**	**(26.84)**	**(25)**	**(4.54)**
TOTAL SALES EXPENSES	(1,038)	(196.14)	(145)	(26.38)
Administration Staff	(441)	(83.33)	(194)	(35.29)
Administration, travel exp	(34)	(6.42)	(51)	(9.28)
TOTAL ADMIN STAFF	**(475)**	**(89.75)**	**(245)**	**(44.57)**
Premises	(75)	(14.17)	(16)	(2.91)
Machinery and equipment	(14)	(2.65)	(30)	(5.46)
Postage, Telephone	(4)	(0.76)	-	-
Consultancy	(91)	(17.20)	(46)	(8.37)
Audit fees	-	-	-	-
Insurance	-	-	(6)	(1.09)
Other Administration expenses	(21)	(3.97)	(15)	(2.73)
Pension Expenses	-	-	-	-
TOTAL ADMIN OTHERS	**(205)**	**(38.75)**	**(113)**	**(20.56)**
Technical Customer Service exp	(10)	(1.89)	-	-
Technical Customer Service Income	-	-	-	-
TECH CUSTOMER SERVICE NET	**(10)**	**(1.89)**	-	-
LOGISTIC	(4)	(0.76)	(5)	(0.91)
Inventory differences/Stock adjustm	-	-	-	-
IT	(7)	(1.32)	(2)	(0.36)
TOTAL ADMIN EXPENSES	(701)	(132.47)	(365)	(66.40)
Expenses for Services - Group	-	-	-	-
Expenses for Services - Rel. Parties -> AC03-A	-	-	-	-
LUX OPERATING RESULT BEFORE CDS	(699)	(132.10)	(482)	(87.69)
CREDIT DIRECT SALES (CDS)				
CDS income own financing	-	-	-	-
CDS income from kickbacks	-	-	-	-
Bad debts / Changes in RSV for unearned CDS	-	-	-	-
Bad debts / Changes in allowance	-	-	-	-
Bad debts / real loss charge-off	-	-	-	-

Lux Welity Polska Sp. z o.o.
Profit & Loss Statement

PARTICULARS	2020 TPLN	2020 INR Lakhs	2019 TPLN	2019 INR Lakhs
Bad debts / release of reserves	-	-	-	-
Collection expenses / legal fees	-	-	-	-
Collector expenses	-	-	-	-
Cash to factoring comp	-	-	-	-
Other CDS income	-	-	-	-
Other CDS expense	-	-	-	-
CDS Result	-	-	-	-
Less : Calculated interest average AR CDS Netresult	-	-	-	-
LUX OPERATING RESULT I	(699)	(132.10)	(482)	(87.69)
EXTRAORD. OPERATING EXPENSE / INCOME				
Exchange diff. real.	(3)	(0.57)	-	-
Exchange diff. unreal.	(1)	(0.19)	-	-
Prior period adjustment	-	-	-	-
Restructuring reserves / expenses	-	-	-	-
Royalties to Group (expense) -> AC03-A	-	-	-	-
Royalties related parties -> AC03-A	-	-	-	-
Dividends -> AC03-A	-	-	-	-
shareholders contribution	-	-	-	-
Government grants received	-	-	-	-
Revaluation of Group Shares	-	-	-	-
Gain on sale of fixed assets	-	-	-	-
Loss on sale of fixed assets	-	-	-	-
Release of provisions	-	-	-	-
Extraordinary Expenses	-	-	-	-
Extraordinary Income	8	1.51	-	-
TOT. EXTRAORD. OPER. EXP./ INC	4	0.76	-	-
LUX OPERATING RESULT II	(695)	(131.34)	(482)	(87.69)
Depreciations fixed assets	(1)	(0.19)	-	-
Amortizations intang assets	-	-	-	-
LUX OPERATING RESULT III	(696)	(131.53)	(482)	(87.69)
Interest income Group -> AC03-A	-	-	-	-
Interest expenses Group -> AC03-A	(43)	(8.13)	(3)	(0.55)
Interest income related parties -> AC03-A	-	-	-	-
Interest expenses related parties -> AC03-A	-	-	-	-
Interest income, external	(2)	(0.38)	-	-
Interest expenses, external	(28)	(5.29)	-	-
Bank fees	-	-	-	-
TOTAL FINANCIAL RESULT	(73)	(13.80)	(3)	(0.55)
LUX RESULT PRE TAX	(769)	(145.33)	(485)	(88.24)
Total Taxes	-	-	-	-
Income taxes	-	-	-	-
Local Sales tax	-	-	-	-
Witholding tax (interest, royalties)	-	-	-	-
Deferred taxes	-	-	-	-
Changes tax provisions	-	-	-	-
LUX NET RESULT	(769)	(145.33)	(485)	(88.24)

KPMG

Significant accounting policies of Lux Group and other explanatory information of Lux Welity Polska Sp. z o.o.

Basis of preparation and explanatory information

The financial information of Lux Welity Polska Sp. z o.o. have been prepared for purposes of providing Lux International AG and its subsidiaries (Lux Group) to enable to prepare the consolidated financial information of the group. The consolidated financial statements constitute a true and fair view of the Lux group's financial position and earnings in accordance with Swiss GAAP FER.

As result, the financial information of Lux Welity Polska Sp. z o.o. is not a completed set of financial information of in accordance with Swiss GAAP FER and is not intend to give a true and fair view, in all material aspects, the balance sheet as at 31 December 2020, and its financial performances. The financial information may, therefore not be suitable for another purposes.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, deposits held at call with banks, other short term and highly liquid investments with original maturities of three months or less from the balance sheet date.

Restricted cash and cash equivalents

Restricted cash and cash equivalents includes funds that are not available for on-going operations.

Accounts receivable

Accounts receivable are initially recorded at their nominal value after deduction of hire purchase charges not due. All receivables are value adjusted according to the time they are overdue.

– not due (hire purchase only)	1 %
– overdue up to one month	5 %
– overdue 1 to 2 months	25 %
– overdue 2 to 4 months	50 %
– overdue 4 to 6 months	80 %
– overdue 6 months and more	100 %

In any case, an additional provision for doubtful trade receivables is made if there is impartial evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Indicators that the trade receivable is impaired might be significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, financial reorganisation and default or delinquency in payments. The amount of the provision is recognised in the income statement within Net Credit Direct Sales (CDS) result.

Hire purchase (HP) charges

Charges to the customer arising from sales on credit are only reported as income to the extent that the charges are due. Unearned charges are calculated on an annuity basis over the period of the hire purchase contract.

Loans

The loans are booked at cost less additional provision for doubtful loans if there is impartial evidence that the Group will not be able to collect all amounts due according to the original terms of the loan contracts.

KPMG

Inventories

Inventories are stated at the lower of cost or net realisable value. Cost is determined using the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.
Value adjustments are applied for obsolete stock. The valuation of obsolete inventories has to be performed on a quarterly basis. The value of inventories is adjusted according to the time they are not moving.

– non-moving for 3 months	25 %
– non-moving for 6 months	50 %
– non-moving for 9 months	75 %
– non-moving for 12 months and more	100 %

Property, plant and equipment

Property, plant and equipment (tangible fixed assets) are capitalised if they can be used during more than one year. Tangible fixed assets are stated at acquisition or construction cost less accumulated depreciation using the straight-line method over the estimated useful lifetime. The following useful lifetimes are generally applied:

– Computer equipment	3 years
– Office machines	3 years
– Tooling and demo kits	5 years
– Vehicles	5 years
– Machines	10 years
– Land and improvement	15 years
– Buildings	20 - 40 years
– Leasehold improvements	period of lease

Intangible assets

Patents, licenses and trademarks

Patents, licenses and trademarks are measured initially at cost. Based on reliable cost measurements, intangible assets are recognised on the probability of the future economic benefits as well as proper attribution to the asset. After initial recognition, intangible assets are recognised at cost less accumulated amortisation and any accumulated impairment losses. Patents, licenses and trademarks are amortised on a straight line basis over the best estimate of their useful lives but not exceeding 10 years. The amortisation periods are reviewed annually at each financial year end.

Development costs

Indirect development costs for products are expensed. 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 asset and the ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefits.

KPMG

Goodwill

The excess of the cost of an acquisition over the Group's interest in the fair value of the net identifiable assets acquired as at the date of the exchange transaction is recorded as goodwill and recognised as an asset in the balance sheet.

When the Group acquires additional interests in a joint venture the excess of the cost of this acquisition compared to the book value of the acquired net assets is recognized as goodwill. After initial recognition goodwill is measured at cost less accumulated amortisation and accumulated impairment losses.

Goodwill is amortised on a straight line basis over the estimated useful life of 5 years. Any negative goodwill (badwill) resulting from the acquisition of a subsidiary or interest in a joint venture is recorded to the income statement in the period of the transaction.

Impairment of assets

The carrying amount of the Group's assets, other than inventories and receivables, are reviewed by Group management at each balance sheet date to determine whether there is any indication of impairment. The review is based on events and signs that point to possible overvaluations in book values. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount.

Impairment losses are recognised in the income statement. The recoverable amount is the higher of the net selling price and value in use. An impairment loss with respect to goodwill is not reversed. In respect to other assets, an impairment loss is – fully or partially - reversed if there has been a change in the estimates used to determine the recoverable amount.

Trade liabilities

Trade liabilities include short-term and non-interest bearing liabilities resulting from ordinary business activities.

Bank debts

Borrowings are initially recognised at the proceeds received. They are subsequently carried at normal values. Bank debts are classified long term and short term.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

Restructuring provisions are reported in the event of any necessary reorganisation of activity sectors or newly acquired subsidiaries. Restructuring provisions comprise i.e. lease termination and employee termination payments.

Taxes

Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the balance sheet date.

KPMG

Deferred tax

Deferred income tax is provided using the balance sheet liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for SWISS GAAP FER financial reporting purposes. Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. A deferred tax liability is recognised for all taxable temporary differences, unless the deferred tax liability arises from goodwill for which amortisation is not tax deductible. Non-recoverable withholding taxes are only accrued if a distribution by subsidiary companies is foreseen.

Revenue recognition

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, discounts, VAT, GST, credit notes issued for various schemes and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing effective control over, or managerial involvement with, the goods, and the amount of revenue can be measured reliably.

Sales commission is paid by product suppliers as a contribution to marketing and promotion activities. The billing is done based on supplies affected to the Group at the agreed prices and revenue is recognized net of sales tax and GST. The Income pertaining to commissioning is done based on a monthly basis and revenue is recognized net of tax.

Lease

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the lessee.

Assets held under finance leases are recognised as assets of the Group at their fair value. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Finance costs, which represent the difference between the total leasing commitment and the fair value of the assets acquired, are charged to the profit and loss statement over the term of the relevant lease so as to produce a constant periodic interest charge on the remaining balance of the obligations for each accounting period.

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rentals payable under operating leases are charged to the profit and loss statement as incurred.

Management assumptions and significant estimates

The preparation of financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

SHAPOORJI PALLONJI FORBES SHIPPING LIMITED
(a subsidiary company)

Financial Statements
For the Year ended March 31, 2021

INDEPENDENT AUDITOR'S REPORT
To the Members of **SHAPOORJI PALLONJI FORBES SHIPPING LIMITED**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **SHAPOORJI PALLONJI FORBES SHIPPING LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the loss (including Other Comprehensive Income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Company's Board Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Board Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance. We have nothing to report in this regard.

Responsibility of Management for Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account

d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, there is no remuneration paid by the Company to its directors during the year under the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 27 to the financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For BATLIBOI & PUROHIT
Chartered Accountants
ICAI Firm Reg. No.101048W

BATLIBOI & PUROHIT
MUMBAI
CHARTERED ACCOUNTANTS

Janak Mehta
Partner
Membership No. 116976
Place : Mumbai
Date : 5th May, 2021
ICAI UDIN : 21116976AAAABR9601

Annexure - A to the Auditors' Report

(referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of the Company of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets.

(b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) The company does not have ownership of any immovable property.

(ii) The Company is in the business of charter hire services and does not have any inventories. Accordingly, reporting under clause 3 (ii) of the Order is not applicable to the Company.

(iii) The Company has not granted loans secured or unsecured to bodies corporate, Firms, Limited Liability Partnerships covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act') Accordingly paragraph 3(iii) of the order is not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.

(v) The Company has not accepted any deposits from the public during the year within the meaning of the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.

(vi) To the best of our knowledge and as explained the Central Government has not prescribed maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, goods and service tax, cess and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, employees' state insurance, duty of excise, service tax, goods and service tax, cess and other material statutory dues were in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.

(b) According to information and explanations given to us, the following dues of service tax and income tax have not been deposited by the Company on account of dispute. There are no dues of sales-tax, wealth tax, goods and service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.

Name of the Statute	**Nature of dues**	**Amount (Rs in lakhs)**	**Period to which it relates**	**Forum where the Dispute is pending**
Income Tax Act, 1961	Income tax dues	90,916	A.Y. 2010-11	The High Court of Bombay
		65,54,145	A.Y. 2011-12	The High Court of Bombay
		8,75,210	A.Y. 2012-13	Appellate Tribunal
		2,55,090	A.Y. 2013-14	Appellate Tribunal
		8,38,420	A.Y. 2014-15	Commissioner of Income Tax (Appeals), Mumbai
		59,930	A.Y. 2018-19	Commissioner of Income Tax (Appeals), Mumbai
Finance Act, 1994	Service Tax	62,18,589	2011-12 to 2015-16	Commissioner of Central Excise Appeals
Finance Act, 1994	Service Tax	22,47,122	16-17 to June 2017	Commissioner of Central Excise Appeals

(viii) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of loans to banks (after considering moratorium and one-time restructuring under Reserve Bank of India Covid-19 Package). There were no borrowings from financial institution, Government or debenture holders anytime during the year.

(ix) The Company did not raise any money by way of Initial Public Offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) The company has not paid any remuneration to Managerial Personnel, hence paragraph 3(xi) of the order is not applicable.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Accounting Standards.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For BATLIBOI & PUROHIT
Chartered Accountants
ICAI Firm Reg. No.101048W

Janak Mehta
Partner
Membership No. 116976

Place : Mumbai
Date : 5th May, 2021
ICAI UDIN : 21116976AAAABR9601

BATLIBOI & PUROHIT MUMBAI CHARTERED ACCOUNTANTS

Annexure - B to the Auditors' Report

(referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of the Company of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the Internal Financial Controls over financial reporting of **SHAPOORJI PALLONJI FORBES SHIPPING LIMITED** ("the Company") as of March 31, 2021 in conjunction with our audit of the Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining Internal Financial Controls based on the Internal Control over Financial Reporting criteria established by the Company considering the essential components of Internal Control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's Internal Financial Controls over Financial Reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an Audit of Internal Financial Controls, both applicable to an Audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain Reasonable Assurance about whether adequate Internal Financial Controls over Financial Reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls system over Financial Reporting and their operating effectiveness. Our audit of Internal Financial Controls over Financial Reporting included obtaining an understanding of Internal Financial Controls over Financial Reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of Internal Control based on the assessed risk. The procedures selected depend on the Auditor's Judgment, including the assessment of the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's Internal Financial Controls system over Financial Reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's Internal Financial Control over Financial Reporting is a process designed to provide reasonable assurance regarding the reliability of Financial Reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted Accounting Principles. A company's Internal Financial Control over Financial Reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For BATLIBOI & PUROHIT
Chartered Accountants
ICAI Firm Reg. No.101048W

Janak Mehta
Partner
Membership No. 116976

Place : Mumbai
Date : 5th May, 2021
ICAI UDIN : 21116976AAAABR9601

BATLIBOI & PUROHIT
MUMBAI
CHARTERED ACCOUNTANTS

Shapoorji Pallonji Forbes Shipping Limited

CIN: U61100MH2006PLC163149

Fifteenth Annual Report

Period ended as on 31st March 2021

Registered Office Address

A-113, Mittal Court, Nariman Point, Mumbai – 400021. India.

Board of Directors

MICHAEL PHILIP PINTO DIN No. 00021565

RANI AJIT JADHAV DIN No. 07070938

UMESH NARAIN KHANNA DIN No. 03634361

MAHESH TAHILYANI DIN No.01423084

S. KUPPUSWAMY DIN No. 00058836

Auditor

Batliboi & Purohit (Chartered Accountants) Firm Reg. No. 101048W

Shapoorji Pallonji Forbes Shipping Limited

BALANCE SHEET AS AT 31st March, 2021

Particulars	Note No.	As on 31 March 2021	As on 31 March 2020
Assets			
1 Non-current assets			
a) Property, plant and equipment	4	1,29,32,01,458	3,55,85,69,938
b) Right-of-use assets	5	10,94,946	37,99,398
c) Other Financial Assets	6A	7,29,01,553	7,91,74,485
d) Other non-current assets	7A	12,32,79,381	9,84,09,628
e) Income Tax Assets (Net)	8	68,12,886	67,25,950
Total Non-current assets		*1,49,72,90,224*	*3,74,66,79,399*
2 Current assets			
a) Financial Assets:			
i) Trade receivables	9	4,31,73,222	10,82,29,699
ii) Cash and cash equivalents	10A	27,07,21,521	4,25,30,654
iii) Bank balances other than (ii) above	10A	4,86,12,598	25,59,50,594
iv) Other financial assets	6B	-	2,98,36,406
		36,25,07,341	*43,65,47,353*
b) Other current assets	7B	73,17,725	84,09,622
Total Current assets		*36,98,25,066*	*44,49,56,975*
Total Assets		*1,86,71,15,290*	*4,19,16,36,374*
Equity and Liabilities			
Equity			
a) Equity share capital	11	82,00,00,000	82,00,00,000
b) Other equity	12	(3,51,61,867)	47,82,68,665
Total Equity		78,48,38,133	1,29,82,68,665
Liabilities			
1 Non-current liabilities			
a) Financial liabilities:			
i) Borrowings	13A	96,54,74,367	1,00,58,21,835
ii) Operating lease liabilities	16	-	12,75,571
b) Provisions	14A	12,78,559	13,75,307
Total Non-current liabilities		*96,67,52,926*	*1,00,84,72,713*
2 Current liabilities			
a) Financial liabilities:			
i) Borrowings	13B	-	28,51,50,000
ii) Trade payables	15		
Micro enterprises and small enterprises		1,416	-
Other than micro enterprises and small enterprises		2,29,03,704	7,87,19,617
iii) Operating lease liabilities	16B	12,75,578	28,58,209
iv) Other financial liabilities	16A	8,83,38,447	1,51,56,74,657
		11,25,19,145	*1,88,24,02,483*
b) Provisions	14B	34,429	1,17,587
c) Current tax liabilities (net)	17	25,76,988	18,345
d) Other current liabilities	18	3,93,669	23,56,581
Total Current Liabilities		*11,55,24,231*	*1,88,48,94,996*
Total Liabilities		1,08,22,77,157	2,89,33,67,709
Total Equity and Liabilities		1,86,71,15,290	4,19,16,36,374

See accompanying notes forming part of the financial statements — 1 to 37

In terms of our report of even date
For Batliboi & Purohit
Chartered Accountants
Firm Registration No.101048W

Janak Mehta
Partner
Membership No.116976
Mumbai - 5th May, 2021

BATLIBOI & PUROHIT MUMBAI CHARTERED ACCOUNTANTS

Mahesh C. Tahilyani
Director DIN:01423084

Umesh Khanna
Director DIN:03634361

Rajesh Kumar Nayak
Chief Excecutive Officer

Nirmal Jagawat
Chief Financial Officer

Bhagyashree Bhavsar
Company Secretary

Mumbai - 5th May, 2021

SHAPOORJI PALLONJI FORBES SHIPPING LIMITED

Shapoorji Pallonji Forbes Shipping Limited

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st March, 2021

	Particulars	Note No.	Year Ended 31 Mar 21	Year Ended 31 Mar 20
I	Revenue from operations	19	1,15,40,64,608	1,14,68,05,669
II	Other income	20	9,07,82,669	2,71,92,452
III	**Total Income (I + II)**		1,24,48,47,277	1,17,39,98,121
IV	**Expenses:**			
	Employee benefits expense	21	2,32,64,797	2,76,49,583
	Finance costs	22	12,98,62,357	21,21,45,931
	Depreciation and amortisation expense	23	29,77,07,125	35,33,45,760
	Operating and Other expenses	24	65,40,57,249	72,49,02,637
	Total expenses (IV)		1,10,48,91,528	1,31,80,43,911
V	**Profit/(Loss) before Exceptional Items & Tax (III - IV)**		*13,99,55,749*	*(14,40,45,790)*
VI	**Exceptional Items - Loss**	34	(63,10,41,102)	-
VII	**Profit/(Loss) before Tax (V - VI)**		*(49,10,85,353)*	*(14,40,45,790)*
VIII	**Tax expense:**	25		
	(a) Current tax		2,23,45,179	30,60,920
	(b) Income tax of prior year		-	-
			2,23,45,179	30,60,920
IX	**Profit/(Loss) after tax for the year (VII - VIII)**		*(51,34,30,532)*	*(14,71,06,710)*
X	**Other Comprehensive Income**			
	(i) Items that will be reclassified to profit or loss		-	-
	Total other comprehensive income		-	-
	Total Comprehensive Income for the year (IX+X)		(51,34,30,532)	(14,71,06,710)
	Earning per equity share :			
	Basic and diluted earnings per equity share	26	(6.26)	(0.18)

See accompanying notes forming part of the financial statements **1 to 37**

In terms of our report of even date
For Batliboi & Purohit
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Firm Registration No.101048W

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Mumbai - 5th May, 2021

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Company Secretary

Mumbai - 5th May, 2021

SHAPOORJI PALLONJI FORBES SHIPPING LIMITED

Shapoorji Pallonji Forbes Shipping Limited

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st March, 2021

	Note No.	Year Ended 31-Mar-21		Year Ended 31-Mar-20	
Cash flows from operating activities					
Profit/(Loss) for the year			*(49,10,85,353)*		*(14,40,45,790)*
Adjustments for -					
Finance costs recognised in profit or loss		*12,98,62,357*		*21,21,45,931*	
Interest income recognised in profit or loss		*(2,74,409)*		*(63,56,656)*	
(Gain) / loss on disposal of property, plant and equipment		63,10,41,102		-	
Depreciation and amortisation of property, plant and equipment		*29,77,07,125*		*35,33,45,760*	
Net unrealised exchange loss		*(1,87,36,488)*		*3,15,15,253*	
			1,03,95,99,687		59,06,50,288
Operating profit before working capital changes			54,85,14,334		44,66,04,498
Changes in working capital:					
Movements in working capital:					
(Increase) / Decrease in trade receivables		6,72,77,955		(4,23,29,802)	
(Increase) / Decrease in other financial assets		4,12,99,846		(23,43,24,459)	
(Increase) / Decrease in other current assets		10,32,400		(21,82,593)	
(Increase) / Decrease in other non - current assets		(2,48,69,753)		(2,28,14,071)	
Increase / (Decrease) in trade payables		(5,54,09,838)		(89,64,444)	
Increase / (Decrease) in other current financial liabilities		(3,69,911)		19,32,722	
Increase / (Decrease) in provisions		(1,79,906)		5,92,375	
Increase / (Decrease) in current liabilities		5,95,731		16,97,495	
			2,93,76,524		(30,63,92,777)
Cash (used in) / generated from operations			57,78,90,858		14,02,11,721
Income taxes paid (net of refunds)			*(2,24,32,116)*		*(44,69,535)*
(a) Net cash flow (used in)/generated from operating activities			55,54,58,742		13,57,42,186
Cash flows from investing activities:					
Movements in deposit placed as security with lender bank		20,58,99,063		21,51,08,156	
Interest received		*2,74,409*		*63,56,656*	
Payments for property, plant and equipment (Includes Drydock expenses)		(63,24,932)		(7,37,26,259)	
Proceeds from disposal of property, plant and equipment		1,31,91,22,407		-	
(b) Net cash flow generated from/ (used in) investing activities			1,51,89,70,947		14,77,38,553
Cash flows from financing activities:					
Lease liability paid		(32,00,441)		(23,70,131)	
Inter corporate borrowing from Related Party taken		25,00,00,000		28,51,50,000	
Inter corporate borrowing of Related Party repaid		(53,51,50,000)		-	
Commercial corporate card services availed		-		38,46,554	
Commercial corporate card services repaid		(38,46,554)		-	
Repayment of borrowings		(1,45,27,17,366)		(42,36,40,881)	
Interest paid		(9,89,48,728)		(17,19,01,196)	
(c) Net cash flow from /(used in) financing activities			(1,84,38,63,089)		(30,89,15,654)
(d) Net increase in cash and cash equivalents (a + b + c)			23,05,66,600		(2,54,34,915)
(e) Cash and cash equivalents as at the commencement of the year			4,25,30,654		6,78,08,526
Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies			(23,75,733)		1,57,043
(f) Cash and cash equivalents as at the end of the year (d + e) (Refer Note 10A)			*27,07,21,521*		*4,25,30,654*
	1 to 37				

In terms of our report of even date
For Batliboi & Purohit
Chartered Accountants
Firm Registration No.101048W

Janak Mehta
Partner
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Mumbai - 5th May, 2021

Mahesh C. Tahilyani
Director DIN:01423084

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Chief Excecutive Officer

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Chief Financial Officer

Bhagyashree Bhavsar
Company Secretary

Mumbai - 5th May, 2021

Shapoorji Pallonji Forbes Shipping Limited

Statement of changes in Equity for the year ended 31st March, 2021

a. Equity share capital	Amount
Balance as at 31st March, 2019	82,00,00,000
Changes in equity share capital during the year	-
Balance as at 31st March, 2020	**82,00,00,000**
Changes in equity share capital during the year	-
Balance as at 31st March, 2021	**82,00,00,000**

b. Other equity	Reserves and surplus				Total Other Equity
	Equity component of Preference Shares	Tonnage Tax Reserve	Retained earnings	Deemed Equity Contribution from Parent Company	
Balance at 31st March, 2019	1,10,80,66,642	-	(48,26,91,267)	-	62,53,75,375
Movements				-	-
Profit/(Loss) for the year			(14,71,06,710)	-	(14,71,06,710)
Total comprehensive income for the year	**1,10,80,66,642**	-	**(62,97,97,977)**	-	**47,82,68,665**
Transfer from retained earnings to Tonnage Tax Reserve	-		-	-	-
Movements - Transfer to Retained Earnings				-	
Balance at 31st March, 2020	1,10,80,66,642	-	(62,97,97,977)	-	47,82,68,665
Movements			-	-	-
Profit/(Loss) for the year	-	-	(51,34,30,532)	-	(51,34,30,532)
Total comprehensive income for the year	-	-	**(51,34,30,532)**	-	(51,34,30,532)
Transfer from retained earnings to Tonnage Tax Reserve	-	-	-	-	-
Transfer from Tonnage Tax Reserve on account of utilisation to Retained earnings	-	-	-	-	-
Movements - Transfer to Retained Earnings	-	-	-	-	-
Balance at 31st March, 2021	**1,10,80,66,642**	-	**(1,14,32,28,509)**	-	**(3,51,61,867)**

In terms of our report of even date
For Batliboi & Purohit
Chartered Accountants
Firm Registration No.101048W

Janak Mehta
Partner
Membership No.116976
Mumbai - 5th May, 2021

BATLIBOI & PUROHIT MUMBAI CHARTERED ACCOUNTANTS

Mahesh C. Tahilyani
Director DIN:01423084

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Director DIN:03634361

Rajesh Kumar Nayak
Chief Excecutive Officer

Nirmal Jagawat
Chief Financial Officer

Bhagyashree Bhavsar
Company Secretary

Mumbai - 5th May, 2021

SHAPOORJI PALLONJI FORBES SHIPPING LIMITED

Note:- 1. General information

The Company was incorporated in India on July 18, 2006. It is a subsidiary of Forbes and Company Limited with Shapoorji Pallonji and Company Private Limited being the ultimate holding Company.

The registered office of the company is located at Ground floor, Forbes Building, Charanjit Rai Marg, Mumbai - 400 001, India. and principal place of business is located at 113, Mittal Court, Nariman Point, Mumbai - 400 021, India

The Company carries on the business of shipowners, charterers, etc. The Company's name was changed from SCI Forbes Limited to Shapoorji Pallonji Forbes Shipping Limited with effect from 21 August, 2014. The Company has two chemical tankers that are currently deployed on time charter basis under a pooling arrangement. (Refer Note 34)

Note:-2. Significant accounting policies

1. Statement of compliance

The financial statements have been prepared in accordance with Ind ASs notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

2. Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using anonther valuation technique.

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 the purpose of classification of its assets and liabilities as current and non current .

3. Use of Estimates

The preparation of the financial statements in conformity with Ind AS requires the Management to make judgements, estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

4. Property, Plant and Equipment

Property, Plant and Equipment are stated at cost of acquisition, including taxes and incidental expenses related to acquisition and borrowing costs during construction period, less accumulated depreciation and impairment losses, if any. 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 & cost can be reliably measured. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or 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.

The Company has availed of the exemption under para D13AA of Ind AS 101 to continue accounting for exchange differences arising from translation of long-term foreign currency monetary items reconginsed in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as an adjustment to the carrying cost of the depreciable asset.

5. Depreciation

Depreciation is provided on the straight line method over the useful life as prescribed under Schedule II of the Companies Act , 2013. The residual value is considered as Nil in case of asset other than ships as the residual value of such assets is insignificant.The Residual value for the ships are taken on the bases of Lightship Displacement Tonnage of ships and rate per lightship displacement tonnage.

Drydock expenses incurred for vessel at specified intervals are capitalised and are amortised over economic benefit of the such expenses i.e drydock expenses incurred at the time of Intermediate survey are amortised over 2.5 years and drydock expenses incurred at the time of Special survey are amortised over 5 years

The Estimated Useful Life is as under :

Assets	**Useful life**
Vessels	20 years
Drydock - Intermediate Survey	2.5 years
Drydock - Special Survey	5 years
Computers	3 years
Office Equipment	5 years
Furniture & Fixtures	10 years

Mobile Phones purchased are charged to the statement of profit and loss

6. Intangible assets

Intangible Assets with finite useful lives that are acquired separately are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any.

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.

Assets	**Useful life**
Software	3 years

7. Borrowing cost

Borrowing costs directly attributable to acquisition, production or construction of qualifying assets (i.e. those fixed assets which necessarily take a substantial period of time to get ready for their intended use) are added to the cost of those assets, until such time as the assets are substantially ready for their intented use or sale. Other borrowing costs are recognised as an expense in the period in which they are incurred.

Borrowing costs include amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arrising from foreign currency borrwings to the extent they are regarded as an adjustment to interest costs.

8. Assets Impairment

The carrying amounts of the Company's tangible & intangible assets are reviewed at each balance sheet date to determine whether there is any indication of impairment . If any such indication exists, the asset's recoverable amounts are estimated in order to determine the extent of impairment loss, if any. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The impairment loss, if any, is recognized in the Statement of Profit and Loss in the period in which impairment takes place.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, however subject to the increased carrying amount not exceeding the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized for the asset in prior accounting periods.

9. 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. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

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 points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimate cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

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 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 transactions that are within the scope of Ind AS 18, 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. 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

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference betwwen the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

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 profit or loss except that the Company has availed of the exemption under para D13AA of Ind AS 101 to continue accounting for exchange differences arising from translation of long-term foreign currency monetary items recoginsed in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as an adjustment to the carrying cost of the depreciable asset.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the 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.

Gains or losses on loan commitments issued by the Company that are designated by the Company as at fair value through profit or loss are recognised in profit or loss.

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or it is designated as at FVTPL.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

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 and are recognised in 'Other income' except that the Company has availed of the exemption under para D13AA of Ind AS 101 to continue accounting for exchange differences arising from translation of long-term foreign currency monetary items recoginsed in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as an adjustment to the carrying cost of the depreciable asset.

The fair value of financial liabilities 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 financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. 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 and payable is recognised in profit or loss.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

10. Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated off hire, rebates and allowances.

Charter hire earnings are recognized as and when services is performed and accrued.

The Company generates most of its revenues from shipping activities. Revenue is distributed by the pool for vessels contracted to the pool operator using a rating mechanism set out in the pool agreement.

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract.

The company has adpoted IND AS 115 " Revenue from contracts with customer" based on assessment done by the management, there is no material impact on the revenue recognition during the period

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 principal outstanding and at the effective interest rate applicable.

11. Inventories

The Company does not carry any inventory on its books. Inventories of fuel, Lubricants, oil, stores and spares delivered on board the ship are charged to statement of profit and loss.

12. Employee Benefits

The provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Employees' State Insurance Act, 1948 and the Payment of Gratuity Act, 1972 are not applicable to the Company.

Short-term obligations:

A liability is recognised for benefits accuring to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that services.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Leave which is expected to be availed and encashed within 12 months from the end of the year is treated as short term employee benefits. The obligation towards the same is measured at the expected cost of leave encashment as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Leave which is expected to be availed or encashed beyond 12 months from the end of the year is treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

13. Foreign Exchange Transactions

In preparing the financial statements of the Company, transactions in currencies other than the company's functional currency are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated 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

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise, except that the Company has availed of the exemption under para D13AA of Ind AS 101 to continue accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as an adjustment to the carrying cost of the depreciable asset.

14. Taxation

Income tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Provision for current income - tax is made on the basis of assessable income under the Income - tax Act, 1961. Income from shipping activities is assessed on the basis of deemed tonnage income of the Company.

Deferred tax is recoginised on temporary differences between the carrying amounts of assets and liabilites in the Company's 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 necessary 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.

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.

Current and deferred tax are recognised in profit or 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.

15. Provision 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.

Contingent liability is disclosed for (i) Possible obligations which will be confirmed only by 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.

16. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the year is adjusted for the effects of transcations of a non-cash nature, any deferrals or accurals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing anf financing activities of the Company are segregated.

17. Cash and Cash Equivalents

In the cash flow statement, cash and cash equivalents includes cash on hand, cheques, drafts on hand, balances in current accounts with banks, other bank deposits with original maturities of three months or less.

18. Lease Accounting

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 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
- 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

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 reflects 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

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.

19. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all years presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

Disclosures

Note :- 3. Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements requires the use of accounting estimates which, by definition will seldom equal the actual results. Management also needs to exercise judgement in applying the Companies accounting policies as well as 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.

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.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see notes 1 to 4 below), that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

1. 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.

2. Useful life and residual value of Property, Plant and Equipments

As described in Note 3.4 and 3.5, the Company reviews the estimated useful life and residual values of property, plant and equipment at each reporting date.

3. 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.

4. 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 present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

Recent amendments to Indian Accounting Standards:

On 24 July 2020, the Ministry of Corporate Affairs (MCA) had issued amendments to certain Ind AS as follows:

i **Ind AS 103 - Business Combinations:**

The definition of the term "business" has been revised. An optional test has been introduced to identify concentration of fair value to permit a simplified assessment of whether an acquired set of activities and assets is not a business. Additional guidance with elements of business and on assessing whether an acquired process is substantive. An entity is required to apply the amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after the 1 April 2020 and to asset acquisitions that occur on or after the beginning of that period. There was no impact on the financial statements of the Company on adoption of the above amendments for the year.

ii **Ind AS 107 - Financial Instruments: Disclosures:**

Additional disclosures have been introduced for uncertainties arising from interest rate benchmark reforms consequential to the hedge accounting related amendments in the Ind AS 109 – Financial Instruments. The Company did not have any transactions during the year to which these amendments were applicable.

iii **Ind AS 109 - Financial Instruments:**

Temporary exceptions from applying specific hedge accounting requirements have been introduced for all hedging relationships directly affected by 'interest rate benchmark reform'. (i.e. the market-wide reform of an interest rate benchmark, including the replacement of an interest rate benchmark with an alternative benchmark rate). This amendment is effective for annual reporting periods beginning on or after 1 April 2020. The Company did not have any transactions during the year to which these amendments were applicable.

iv **Ind AS 116 - Leases:**

A Practical expedient has been allowed to permit lessees to exclude COVID-19 related rent concessions to be treated as a lease modification. This amendment is applicable to the Company from annual reporting periods beginning on or after 1 April 2020. There were no rent concessions during the year and accordingly, there was no impact on the financial statements of the Company on adoption of the above amendments for the year.

v **Ind AS 1 - Presentation of Financial Statements and Ind AS 8 -Accounting Policies, Changes in Accounting Estimates and Errors (and consequential amendments to other Ind AS):**

The definition of the term "material" has been revised and is applicable prospectively for annual periods beginning on or after 1 April 2020. Consequent to the revised definition of "material", certain amendments were also notified in the Ind AS 10 - Events after the Reporting Period, Ind AS 34 - Interim Financial Reporting and Ind AS 37 -Provisions, Contingent Liabilities and Contingent Assets.

vi **Standards issued but not yet effective:**

As on the date of approval of these financial statements, there were no new standards or amendments which have been notified but not yet adopted by the Company and expected to have any material impact on the financial statements of the Company

4. Property, plant and equipment

Current Year	Computers - Data processing equipments	Office equipments	Furniture and fixtures	Ships (refer note 1.)	Total
Cost or Deemed cost					
Balance as at 31st March, 2020	**5,06,412**	**1,39,265**	**4,39,799**	**4,98,04,27,916**	**4,98,15,13,392**
Additions	94,004			62,30,928	**63,24,932**
Disposals				(2,91,97,37,294)	**(2,91,97,37,294)**
Effect of foreign currency exchange differences (refer note 2)				(2,65,27,230)	**(2,65,27,230)**
Balance as at 31st March, 2021	**6,00,416**	**1,39,265**	**4,39,799**	**2,04,03,94,320**	**2,04,15,73,800**
Accumulated depreciation and impairment					
Balance as at 31st March, 2020	**4,80,018**	**98,494**	**1,67,617**	**1,42,21,97,325**	**1,42,29,43,454**
Eliminated on disposals of assets				(96,95,73,785)	**(96,95,73,785)**
Depreciation expense	36,672	15,794	47,686	29,49,02,521	**29,50,02,673**
Balance as at 31st March, 2021	**5,16,690**	**1,14,288**	**2,15,303**	**74,75,26,061**	**74,83,72,342**
Carrying Amount					
Balance as at 31st March, 2020	**26,394**	**40,771**	**2,72,182**	**3,55,82,30,591**	**3,55,85,69,938**
Balance as at 31st March, 2021	**83,726**	**24,977**	**2,24,496**	**1,29,28,68,259**	**1,29,32,01,458**

Previous Year	Computers - Data processing equipments	Office equipments	Furniture and fixtures	Ships (refer note 1.)	Total
Cost or Deemed cost					
Balance as at 31st March, 2019	**6,01,312**	**1,39,265**	**4,39,799**	**4,80,95,77,508**	**4,81,07,57,884**
Additions				7,37,26,259	**7,37,26,259**
Disposals	(94,900)				**(94,900)**
Effect of foreign currency exchange differences (refer note 2)				9,71,24,149	**9,71,24,149**
Balance as at 31st March, 2020	**5,06,412**	**1,39,265**	**4,39,799**	**4,98,04,27,916**	**4,98,15,13,392**
Accumulated depreciation and impairment					
Balance as at 31st March, 2019	**4,91,356**	**74,297**	**1,19,931**	**1,07,17,11,521**	**1,07,23,97,105**
Eliminated on disposals of assets	(94,900)				**(94,900)**
Depreciation expense	83,562	24,197	47,686	35,04,85,804	**35,06,41,249**
Balance as at 31st March, 2020	**4,80,018**	**98,494**	**1,67,617**	**1,42,21,97,325**	**1,42,29,43,454**
Carrying Amount					
Balance as at 31st March, 2019	**1,09,956**	**64,968**	**3,19,868**	**3,73,78,65,987**	**3,73,83,60,779**
Balance as at 31st March, 2020	**26,394**	**40,771**	**2,72,182**	**3,55,82,30,591**	**3,55,85,69,938**

Footnotes:

1. Ships are mortgaged to bank for banking loan facility (refer note 13.1.b).

2. Exchange differences on borrowing for acquisition of capital assets

   The Company has availed of the exemption under para D13AA of Ind AS 101 to continue accounting for exchange differences arising from translation of long-term foreign currency monetary items recoginsed in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as an adjustment to the carrying cost of the depreciable asset.

5. Right of use Assets

Current Year	Right to use Asset under Lease
Cost or Deemed cost	
Balance as at 31st March, 2020	65,03,911
Additions	-
Disposals	-
Balance as at 31st Mar, 2021	**65,03,911**
Accumulated depreciation and impairment	
Balance as at 31st March, 2020	**27,04,513**
Depreciation expense	27,04,452
Balance as at 31st Mar, 2021	**54,08,965**
Carrying Amount	
Balance as at 31st March, 2020	**37,99,398**
Balance as at 31st Mar, 2021	**10,94,946**

Previous Year	Right to use Asset under Lease
Cost or Deemed cost	
Balance as at 31st March, 2019	-
Additions	65,03,911
Disposals	-
Balance as at 31st March, 2020	**65,03,911**
Accumulated depreciation and impairment	
Balance as at 31st March, 2019	-
Depreciation expense	27,04,513
Balance as at 31st March, 2020	**27,04,513**
Carrying Amount	
Balance as at 31st March, 2019	-
Balance as at 31st March, 2020	**37,99,398**

6. Other financial assets

6A. Non current

Particulars	As on 31 March 2021	As on 31 March 2020
a) Security deposits		
- Unsecured, considered good	7,29,01,553	7,91,74,485
Total (a)	7,29,01,553	7,91,74,485

(a) Security deposit represents 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 the Company, 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.

6B. Current

Particulars	As on 31 March 2021	As on 31 March 2020
i) Other Current Assets (refer below note 'a')	-	2,98,36,406
Total	-	2,98,36,406

(a) Other current assets includes insurance claim receivable from the insurance company towards vessel break down repair cost.

7. Other assets

7A. Non Current

Particulars	As on 31 March 2021	As on 31 March 2020
a) Balances with statutory / government authorities		
- Unsecured, considered good		
Service tax refund	42,86,271	34,39,700
GST refund	11,89,93,110	9,49,69,928
Total	12,32,79,381	9,84,09,628

7B. Current

Particulars	As on 31 March 2021	As on 31 March 2020
a) Advances for supply of goods and services		
- Unsecured, considered good	47,16,922	1,74,493
b) Prepaid expenses	26,00,803	82,35,129
Total	73,17,725	84,09,622

8. Income Tax Assets (net)

a) Advance Income tax	68,12,886	67,25,950
Total	68,12,886	67,25,950

9. Trade receivables

Particulars	As on 31 March 2021	As on 31 March 2020
Trade receivables		
a) Unsecured, considered good	4,31,73,222	10,82,29,699
Total	4,31,73,222	10,82,29,699

9. 1 Trade receivables

The average credit period for receipt of charter hire income is approximately one month. No Interest is charged on outstanding balances.

The Company has taken into account historical credit loss experience and in past no credit loss is suffered by the Company. The Company does not expect any credit loss in future as well, as the vessels are under Pool agreement.

Age of Receivables Particulars	As on 31 March 2021	As on 31 March 2020
Within the credit period	4,31,73,222	10,82,29,699
Total	4,31,73,222	10,82,29,699
Average age (days)	31	31

10A Cash and cash equivalents

Particulars	As on 31 March 2021	As on 31 March 2020
Balances with Banks		
a) In current accounts	5,07,97,477	3,87,69,142
b) In EEFC Accounts	-	374
c) In deposit accounts (with original maturity upto 3 months)	21,99,02,163	37,42,088
	27,06,99,640	4,25,11,604
Cash on hand	21,881	19,050
Total	27,07,21,521	4,25,30,654
Cash and cash equivalents as per statement of cash flows	27,07,21,521	4,25,30,654

10B Other Bank balances

a) Balance held as margin money deposit with banks with remaining maturity period of less than 12 months and more than 3 months	4,86,12,598	25,59,50,594
Total	4,86,12,598	25,59,50,594

(a) Other bank balances represents amount deposited with Axis Bank (Dubai) under the Debt Service Reserve to be maintained as part of the loan agreement with the Bank. The said deposits is marked under lien with the Bank.

Shapoorji Pallonji Forbes Shipping Limited

Notes to the financial statements for the Year ended 31st March, 2021

11. Equity share capital

Particulars	As on 31 March 2021	As on 31 March 2020
Authorised Share capital :		
160,000,000 Equity shares of ` 10 each	*1,60,00,00,000*	*1,60,00,00,000*
175,000,000 0% Preference shares of ` 10 each	*1,75,00,00,000*	*1,75,00,00,000*
	3,35,00,00,000	3,35,00,00,000
Issued, subscribed and paid-up share capital:		
82,000,000 fully paid equity shares of ` 10 each *(as at 31st March, 2021: 82,000,000), (as at 31st March, 2020: 82,000,000)*	82,00,00,000	82,00,00,000
	82,00,00,000	82,00,00,000

11. 1 Fully paid equity shares

Particulars	Number of shares	Share Capital in ' Amount'
Balance as at 31st March, 2019	8,20,00,000	**82,00,00,000**
Movements	-	-
Balance as at 31st March, 2020	8,20,00,000	**82,00,00,000**
Movements	-	-
Balance as at 31st March, 2021	8,20,00,000	**82,00,00,000**

Rights, preferences and restrictions attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of ` 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

11. 2 Details of shares held by the holding company, its subsidiaries and associates

Particulars	Fully paid ordinary shares	
	As on 31 March 2021	As on 31 March 2020
Balance at the beginning of the period :		
Forbes and Company Limited, the holding company	2,05,00,000	20,50,00,000
Total	2,05,00,000	20,50,00,000

Forbes and Company Limited is the holding company by virtue of it having the power to control the composition of the Board of Directors of the Company pursuant to the joint venture agreement between Sterling Investment Corporation Private Limited, Forbes and Company Limited and G.S.Enterprises dated 1st December, 2014

11. 3 Details of shares held by each shareholder holding more than 5% shares

Particulars	Number of shares held	% holding in the class of shares
<u>**Fully paid equity shares**</u>		
G.S. Enterprises, a partnership firm represented by its partners Shapoorji Pallonji & Company Private Limited, the ultimate holding Company and Goswami Infratech Private Limited holding the shares jointly in the Company.	41,00,00,000	**50%**
Sterling Investment Corporation Private Limited	20,50,00,000	**25%**
Forbes and Company Limited, the holding company	20,50,00,000	**25%**
Total	82,00,00,000	**100%**

11. 4 The Company has not alloted 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.

12. Other equity

	Particulars	As on 31 March 2021	As on 31 March 2020
a)	**Tonnage Tax Reserve (Refer Note 1 below)**		
	Balance at beginning of the year	-	-
	Movements	-	-
	Balance at end of the year	-	-
b)	**Equity Component of Preference shares**		
	Balance at beginning of the year	1,10,80,66,642	1,10,80,66,642
	Movements	-	-
	Balance at end of the year	1,10,80,66,642	1,10,80,66,642
c)	**Retained earnings**		
	Balance at beginning of year	(62,97,97,977)	(48,26,91,267)
	Profit/(Loss) for the year	(51,34,30,532)	(14,71,06,710)
	Balance at end of the year	(1,14,32,28,509)	(62,97,97,977)
	Total	(3,51,61,867)	47,82,68,665

Note 1 : Tonnage Tax Reserve:
The Company has opted for computation of its income from shipping activities under the tonnage tax scheme for taxation purpose. As per the scheme, the Company is required to transfer not less than 20% of its book profit derived from the activities referred to in clauses (i) and (ii) of sub-section (1) of section 115V-I in each previous year to the Tonnage Tax Reserve Account to be utilised in the manner laid down in sub-section (3) of section 115VT of the Income Tax Act, 1961.

Note 2: Equity component of preference shares
The reserve represents the Equity component of 0% redeemable preference share issued by the Company, being the difference between the fair value of the financial instrument and its carrying value, adjusted for amortisation of interest cost upto the date of transition.

Note 3: Retained earnings represents transfers on account of profits earned / losses incurred till date.

13. 13A. Non-current Borrowings

Particulars	Non-current portion As on 31 March 2021	Non-current portion As on 31 March 2020
Secured – at amortised cost		
(a) Term loans		
From banks	51,01,78,429	59,93,07,604
(b) Liability component of compound financial instruments	45,52,95,938	40,65,14,231
Total Non-current borrowings	96,54,74,367	1,00,58,21,835

13. 1 Summary of borrowing arrangements

(a) The foreign currency term loan from Axis Bank, DIFC Branch, Dubai was obtained in July 2014, is fully paid off in Mar 2021. Company has obtained another ECB loan from Axis Bank, DIFC Branch, Dubai in Jan 2018 at Libor plus a Margin of 2.76%. The loan is repayable in 12 equal semi- annual installments starting at the end of 1 year from the initial uitlisation date i.e Jan 10, 2018. The repayment of installment follow an constant pattern culminating in a bullet repayment installment of USD 4,316,000 on Jan 10, 2025.

(b) The second ECB term loan is secured by first charge on the stainless steel vessel acquired in Jan, 2018 and pari passu charge on one marinline coated vessel, further first charge over designated earnings account, receivables, earnings, claims against thirs parties, revenues of the stainless steel vessel.
The Company is required to maintain as on the last date of each financial reporting period, a Fixed Asset Coverage Ratio of atleast 1.25:1
The Company shall ensure that its payment obligations under the refinancing agreement rank and continue to rank at least pari passu with the claims of all of its other unsecured and unsubordinated creditors, except for the obligations mandatorily preferred by law applied to companies generally.
(c) The Company is required to establish and maintain a Designated Earning Account and ensure that all Earnings are paid in respect of each vessel are paid into the Designated Earning Account.

(d) The Company is also required to establish and maintain a Debt Service Reserve Account. an interest bearing USD - denominated bank account to be opened with Axis Bank Ltd., DIFC Branch, Dubai. The account should have an amount equal to the aggregate of the next immediate schedule Repayment Installment to be paid and the next immediate scheduled interest due and payable which has been complied with.

(e) Redeemable Preference shares
The following 0% Redeemable Preference Shares were issued 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	Number of Shares allotted	Date of redemption (Not later than)	Redemption terms
12-Aug-09	2,48,00,000	12-Aug-29	Redeemable at par
06-Nov-09	3,20,00,000	06-Nov-29	Redeemable at par
22-Mar-10	4,22,00,000	22-Mar-30	Redeemable at par
02-Jul-10	2,46,00,000	02-Jul-30	Redeemable at par
	12,36,00,000		

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.

Proceeds of issue	1,23,60,00,000
Liability component at the date of issue	12,79,33,358
Equity Component of preference shares recognised in Other Equity	**1,10,80,66,642**
Liability component (included in "Non-current borrowings" (note 13))	
Liability component at the date of issue	12,79,33,358
Interest charged calculated at an effective interest rate of 12% upto 1/4/15	10,25,90,537
Interest charged calculated at an effective interest rate of 12% for 31/3/16	2,77,43,044
Interest charged calculated at an effective interest rate of 12% for 31/3/17	3,09,92,033
Interest charged calculated at an effective interest rate of 12% for 31/3/18	3,47,11,081
Interest charged calculated at an effective interest rate of 12% for 31/3/19	3,88,76,406
Interest charged calculated at an effective interest rate of 12% for 31/03/20	4,36,67,772
Interest charged calculated at an effective interest rate of 12% for 31/03/21	4,87,81,707
	45,52,95,938

13. 13B. Current Borrowings

	As on 31 March 2021	As on 31 March 2020
a) Loan's repayable to related parties at Interest rate 8% to 11.5%	-	28,51,50,000
Total	-	28,51,50,000

Shapoorji Pallonji Forbes Shipping Limited
Notes to the financial statements for the Year ended 31st March, 2021

14. Provisions

14A. Non current

	As on 31 March 2021	As on 31 March 2020
a) **Employee benefits**		
Compensated absences	12,78,559	13,75,307
Total	12,78,559	13,75,307

14B. Current

Particulars	As on 31 March 2021	As on 31 March 2020
a) **Employee benefits**		
Compensated absences	34,429	1,17,587
Total	34,429	1,17,587

Disclosure under Ind AS 19 for employee benefits, compensated absences are valued on basis of projected unit credit method.

Assumption for the valuation are as under:-		
Discount Rate	6.90% p.a	7.79% p.a
Salary Escalation Rate	6.00% p.a	6.84% p.a
Mortality Rate	IALM (2006-08)	IALM (2006-08)

15. Trade payables

Current

Particulars	As on 31 March 2021	As on 31 March 2020
Trade payables - Micro and Small Enterprises *	1,416	-
Trade payables - Others	2,28,09,711	7,02,29,569
Trade payables - To Related parties	93,993	84,90,048
Total of Other than micro enterprises and small enterprises	2,29,03,704	7,87,19,617
Total	2,29,05,120	7,87,19,617

The average credit period on purchases of materials and receipt of services is approximately 60 days. No interest is charged on outstanding balances.

* The amount outstanding pertains to principal amount due. No interest is due / accrued / paid / payable during the year

16. Other financial liabilities	As on 31 March 2021	As on 31 March 2020
Non Current		
Operating Lease Liabilities	-	12,75,571
Total	-	12,75,571
16A. Current		
a) Current maturities of long term borrowings	7,90,87,787	1,48,17,89,794
b) Interest accrued but not due on borrowings	40,18,833	2,44,36,570
c) Commercial Corporate Card not due	-	38,46,554
d) Others :-		
- Accured Service Liabilities	9,06,107	17,75,213
- Employee benefits payable	43,25,720	38,26,526
Total	8,83,38,447	1,51,56,74,657
16B. Current maturities of Operating Lease	12,75,578	28,58,209

17. Current tax assets and liabilities

Particulars	As on 31 March 2021	As on 31 March 2020
Income tax payable	25,76,988	18,345
	25,76,988	18,345

18. Other liabilities

Current

Particulars	As on 31 March 2021	As on 31 March 2020
a) Statutory dues payable	3,93,669	23,56,581
Total	3,93,669	23,56,581

Shapoorji Pallonji Forbes Shipping Limited

Notes to the financial statements for the Year ended 31st March, 2021

19. Revenue from operations

The following is an analysis of the Company's revenue for the year from continuing operations.

Particulars	Year Ended 31 Mar 2021	Year Ended 31 Mar 2020
Sale of services		
i) Charter hire income	1,15,40,64,608	1,14,68,05,669
Total	*1,15,40,64,608*	*1,14,68,05,669*

20. Other Income

Particulars	Year Ended 31 Mar 2021	Year Ended 31 Mar 2020
a) Interest Income		
i) Bank deposits	1,80,000	49,54,808
ii) Interest on Income tax refund	94,409	14,01,848
Total (a)	*2,74,409*	*63,56,656*
b) Other Non-Operating Income		
i) Miscellaneous income (refer note 'a' below)	86,06,403	98,24,492
ii) Export Incentives	8,44,06,463	-
Total (b)	9,30,12,866	98,24,492

a. Miscellaneous income includes The Company's claim towards insurance for repair work on account of break down for one vessel. The claim is covered under the "Hull and Machinery Insurance Policy". The claim has been recorded under miscellaneous Income.

Particulars	Year Ended 31 Mar 2021	Year Ended 31 Mar 2020
c) Other gains and losses		
i) Net foreign exchange gains / (losses)	(25,04,606)	1,10,11,304
Total (c)	(25,04,606)	1,10,11,304
Total (a+b+c)	*9,07,82,669*	*2,71,92,452*

21. Employee benefits expense

Particulars	Year Ended 31 Mar 2021	Year Ended 31 Mar 2020
i) Staff Salaries, Allowances and Bonus	*2,32,35,841*	*2,74,63,864*
ii) Staff Welfare Expenses	*28,956*	*1,85,719*
Total	2,32,64,797	2,76,49,583

22. Finance costs

	Year Ended 31 Mar 2021	Year Ended 31 Mar 2020
(a) **Interest costs :-**		
i) Interest on bank loans	*6,61,97,928*	12,31,59,655
ii) Interest on Redeemable Pref. shares reclassified as borrowings	*4,87,81,707*	4,36,67,772
iii) Unwinding of Interest on lease liability	*3,42,239*	6,56,359
iv) Interest on Inter-Corporate Borrowings from Related Parties	*1,01,73,932*	90,70,906
Total interest expenses	12,54,95,806	17,65,54,692
(b) Exchange differences to the extent considered as an adjustment to borrowing costs	(1,51,01,081)	3,40,78,651
(c) Bank and Finance charges	*1,94,67,632*	15,12,588
Total	*12,98,62,357*	*21,21,45,931*

23. Depreciation and amortisation expense

	Year Ended 31 Mar 2021	Year Ended 31 Mar 2020
i) Depreciation on property, plant and equipment (Refer Note 4)	*29,50,02,673*	35,06,41,249
ii) Amortisation of Right of use Asset under lease (Refer Note 5)	27,04,452	27,04,511
Total	29,77,07,125	35,33,45,760

24. Operating and Other expenses

Particulars	Year Ended 31 Mar 2021	Year Ended 31 Mar 2020
Fuel, Oil and Lubricants	*2,64,08,641*	3,22,21,180
Repairs and maintenance expenses	*3,49,98,638*	4,46,17,181
Stores and spares	*7,06,97,150*	10,77,94,104
Vessel Operating expenses	*3,07,05,443*	2,41,94,884
Crew Wages and allowances	*33,57,31,246*	36,06,11,546
Crew provident fund and other funds - contribution	*1,06,64,861*	1,23,60,056
Crew Victualling Expenses	*2,18,34,076*	2,28,26,828
Crew Repatriation expenses, etc.	*2,06,79,251*	1,69,62,893
Insurance & Proctection Club Fees	*2,83,17,631*	2,23,30,022
Management Fees	*4,31,37,790*	4,37,43,463
Communication charges	*89,33,425*	99,22,019
Survey Expenses	*5,03,033*	18,52,973
Testing Expenses	*16,13,691*	23,86,458
Certification Expenses	*20,29,648*	42,77,830
Boat and Launch Hire Charges	*18,53,943*	36,48,896
Rent		
Legal & Professional expenses	*85,62,478*	70,53,145
Support services expenses	*16,86,804*	14,93,805
Auditor Remuneration (Refer Note 33)	*6,55,000*	5,58,194
Director Sitting Fees	*20,00,000*	24,00,000
Travelling and conveyance	*1,21,994*	14,61,361
Miscellaneous expenses	*29,22,506*	21,85,799
Total	*65,40,57,249*	*72,49,02,637*

25. Income taxes

1. Income tax recognised in profit or loss

Reconciliation of tax expense and the accounting profit multiplied by the domestic tax rate for the

Particulars	Year Ended 31 Mar 2021	Year Ended 31 Mar 2020
Accounting profit / (loss) before tax	(49,10,85,353)	(14,40,45,790)
Tonnage Income as per sec 115V	40,87,432	45,66,150
Tax at Domestic rate (FY 2020-21: 25.168%; FY 2019-20: 27.82%) (A)	10,28,725	12,70,303
Other Income taxable	8,46,80,872	64,29,246
Tax at Domestic rate (FY 2020-21: 25.168%; FY 2019-20: 27.82%) (A)	2,13,12,482	17,88,616
Total Tax Provision for Current Year (A+B)	2,23,41,207	30,58,919
Rounding off	3,972	2,001
Total Income Tax Expense	2,23,45,179	30,60,920

26. Earnings per share

Particulars	Year Ended 31-Mar-21	Year Ended 31-Mar-20
	` per share	` per share
Basic earnings per share	(6.26)	(0.18)
Diluted earnings per share	(0.63)	(0.18)

26.1 Basic Earnings per share

The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows.

Particulars	Year Ended 31-Mar-21	Year Ended 31-Mar-20
Profit/(loss) for the year from operations (A)	(51,34,30,532)	(14,71,06,710)
Profit/(loss) for the year attributable to owners of the Company (B)	(51,34,30,532)	(14,71,06,710)
Weighted average number of equity shares for the purposes of basic earnings per share (C)	8,20,00,000	82,00,00,000
Basic Earnings per equity share for continuing operation (B/C)	(6.26)	(0.18)
Basic Earnings per share (B/C)	(6.26)	(0.18)

26.2 Diluted earnings per share

There is no dilution of equity shares.

27. Contingent liabilities

Particulars	Year Ended 31-Mar-21	Year Ended 31-Mar-20
(a) Claims against the Company not acknowledged as debt		
Income Tax Demands under dispute	86,73,711	86,73,711
Service Tax demand & Interest thereon	84,65,711	62,18,589
Service Tax Refund under dispute	34,39,700	34,39,700
GST Refund under dispute	1,29,84,029	-
	3,35,63,151	1,83,32,000

28 .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 13 & 16 offset by cash and bank balances) and equity of the Company (comprising issued capital, reserves, retained earnings and other equity as detailed in notes 11 to 12).

The company is not subject to any externally imposed capital requirements.

The company's management generally reviews the capital structure on an annual basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital. The company has a gearing ratio of 93% at the end of the reporting period.

28 1.1 Gearing ratio

The gearing ratio at end of the reporting period was as follows.

Particulars	As at March 31, 2021	As at March 31, 2020
Debt (i)		
Non Current Borrowing	96,54,74,367	1,00,58,21,835
Current maturities of long-term debt	7,90,87,787	1,48,17,89,794
Interest accrued but not due on borrowings	40,18,833	2,44,36,570
Cash and bank balances (Including Long term deposits with bank)	31,93,34,119	29,84,81,248
Net debt	72,92,46,868	2,21,35,66,951
Equity (ii)	78,48,38,133	1,29,82,68,665
Net debt to equity ratio (i)/(ii)	93%	171%

Debt is defined as long- and short-term borrowings, as described in notes 13 and 16.

Equity includes all capital and reserves of the Company that are managed as capital.

28 .2 Categories of financial instruments

Particulars	As at March 31, 2021	As at March 31, 2020
Financial assets		
Cash & Cash equivalents and Other Bank Balance	31,93,34,119	29,84,81,248
Financial Assets measured at amortised cost		
Trade receivables	4,31,73,222	10,82,29,699
Security Deposit	7,29,01,553	7,91,74,485
Other financial assets Current	-	2,98,36,406
Financial liabilities measured at amortised cost		
Borrowings - Non current	96,54,74,367	1,00,58,21,835
Other financial liabilities Current	8,83,38,447	1,51,56,74,657
Trade payables	2,29,05,120	7,87,19,617

28 .3 Financial risk management objectives

The company's Treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the company through internal risk reports which analyse exposures of risks. These risks include market risk (including currency risk, interest rate risk and liquidity risk.

28 .4 Market risk

Shipping market risks may be related to vessel values, future vessel employment, freight rates and costs. These risks are mininised as the vessels are operated under Pool and managed through internal risk management of the company. Hence, there has been no change to the company's exposure to market risks or the manner in which these risks are managed and measured.

28 .5 Foreign currency risk management

The company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are naturally hedged as Company has earnings and receivables in foreign currency to meet expenses and payables in foreign currency.

The carrying amounts of the company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

Particulars	Assets as at			
	As at March 31, 2021		As at March 31, 2020	
Currency	US $	INR	US $	INR
	73.2973		74.8109	
Receivables	5,89,015	4,31,73,222	14,46,710	10,82,29,699
Advances given	64,573	47,33,010	2,227	1,66,585
Bank Balances and Fixed Deposits	43,70,704	32,03,60,784	39,69,295	29,69,46,566
Security Deposit furnished	9,94,234	7,28,74,693	10,57,977	7,91,48,245
Total	60,18,526	44,11,41,710	64,76,209	48,44,91,095

Particulars	Liabilities as at			
	As at March 31, 2021		As at March 31, 2020	
Currency	US $	INR	US $	INR
Foreign currency borrowings	80,92,500	59,31,58,400	2,78,99,638	2,08,71,97,028
Interest Accrued on Borrowings	54,829	40,18,833	3,26,645	2,44,36,571
Payables	1,63,152	1,19,58,585	7,29,342	5,45,62,730
Total	83,10,481	60,91,35,818	2,89,55,625	2,16,61,96,329

Of the above, the Company is mainly exposed to USD. 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.

March 31, 2021

Currencies	Increase/Decrease	Total Assets in Foreign Currency	Total Liabilities in Foreign Currency	Change in exchange rate	Impact on Profit or (Loss) for the year in INR
USD	Increase by 5%	60,18,526	83,10,481	3.66	(83,99,708)
USD	Decrease by 5%	60,18,526	83,10,481	-3.66	83,99,707

March 31, 2020

Currencies	Increase/Decrease	Total Assets in Foreign Currency	Total Liabilities in Foreign Currency	Change in exchange rate	Impact on Profit or (Loss) for the year in INR
USD	Increase by 5%	64,76,209	2,89,55,625	3.74	(8,40,85,270)
USD	Decrease by 5%	64,76,209	2,89,55,625	-3.74	8,40,85,264

28 .6 Interest rate risk management

Interest risk is related to interest-bearing investments and borrowings.
The Company is exposed to interest rate risk which is limited to the extent of changes in LIBOR. The risk is mitigated due to natural hedge as receivables and payables are in same currency
Investments in deposit with banks are Interest rate risk free investment, as deposit are bearing fix interest rate.
The Company's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.
If LIBOR rates had been 50 basis points higher/lower and all other variables were held constant, the Company's loss for the year ended March 31, 2021 would decrease/increase by Rs 0.32 crore. This is mainly attributable to the Company's exposure to borrowings based on LIBOR.

If LIBOR rates had been 50 basis points higher/lower and all other variables were held constant, the Company's loss for the year ended March 31, 2020 would decrease/increase by Rs.1.16 crore. This is mainly attributable to the Company's exposure to borrowings based on LIBOR.

28 .7 Liquidity risk management

Liquidity risk is impacted by market and credit risk. Company keeps its liquid reserves mainly in bank deposits in form of time deposit.
The time horizon of these deposits depends on the underlying forecasted need for liquidity in the Company. The liquidity risk is considered to be limited, as liquid assets are balances in bank current accounts and time deposits. Deposits are executed with reputed banks.
Ultimate responsibility for liquidity risk management rests with the Management of Company under board of directors, which monitors reqirements of the company's short, medium, and long-term funding requirements. The company manages liquidity risk by maintaining adequate reserves, and banking facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Maturities of Financial Liabilities	March 31, 2021 Upto 1 year	1 to 3 years	3 to 5 years	5 years & above
Borrowings - Loans	7,90,87,787	15,81,75,573	35,58,95,040	
Borrowings - Preference share				45,52,95,938
Trade Payables	2,29,05,120			
Other Financial Liabilities	92,50,661			
	11,12,43,567	**15,81,75,573**	**35,58,95,040**	**45,52,95,938**

Maturities of Financial Liabilities	March 31, 2020 Upto 1 year	1 to 3 years	3 to 5 years	5 years & above
Borrowings - Loans	1,48,17,89,794	16,14,41,922	16,14,41,922	28,25,23,364
Borrowings - Preference share				40,65,14,231
Trade Payables	7,87,19,617			
Other Financial Liabilities	3,38,84,863			
	1,59,43,94,273	**16,14,41,922**	**16,14,41,922**	**68,90,37,595**

Maturities of Financial Assets	March 31, 2021 Upto 1 year	1 to 3 years	3 to 5 years	5 years & above
Short Term Depsoit	4,86,12,598			
Long Term Deposit		-		
Trade Receivables	4,31,73,222			
Other Financial Assets	47,42,20,180			
	56,60,06,000	-	-	-

Maturities of Financial Assets	March 31, 2020 Upto 1 year	1 to 3 years	3 to 5 years	5 years & above
Short Term Depsoit	25,59,50,594			
Long Term Deposit		-		
Trade Receivables	10,82,29,699			
Other Financial Assets	25,83,60,793			
	62,25,41,087	-	-	-

28 .8 Fair value measurements

The Company considers that the carrying amounts of all the financial instruments recognized in the financial statements approximate their fair values. Hence, no fair value disclosures are required.

28 .9 Net debt reconciliation

	31st Mar., 2021	31st Mar., 2020
Short Term Borrowings	-	28,51,50,000
Long Term Borrowings	(51,40,70,614)	(60,54,07,208)
Current Maturities of Long Term Borrowings	(7,90,87,787)	(1,48,17,89,794)
Interest accured but not due	(40,18,833)	(2,44,36,570)
Loan arrangement expenses	38,92,184	60,99,604
Liability component of compound financial instruments	(45,52,95,938)	(40,65,14,231)
Total debt	(1,04,85,80,987)	(2,22,68,98,199)
Cash & Cash equivalents and Other Bank Balance	31,93,34,119	29,84,81,248
Net debt	(72,92,46,868)	(1,92,84,16,951)

	Other assets	Liabilities from financing activities		
	Cash and cash equivalents	Long term borrowing including current maturity	Short term borrowing	Total
Net debt as at 1st April, 2020	29,84,81,248	(2,22,68,98,199)	-	(1,92,84,16,951)
Cash flows	2,08,52,871	1,16,82,61,999	-	1,18,91,14,870
Interest expense		(11,27,72,217)	-	(11,27,72,217)
Interest paid		8,44,08,245	-	8,44,08,245
Loan arrangement expenses capitalised		-		-
Loan arrangement expenses Amortised		(22,07,420)		(22,07,420)
Exchange difference capitalised		4,06,26,604		4,06,26,604
Net debt as at 31st March, 2021	31,93,34,119	(1,04,85,80,987)	-	(72,92,46,868)

SHAPOORJI PALLONJI FORBES SHIPPING LIMITED

Notes to the financial statements for the Year ended 31st March, 2021
All amounts are in Rs. unless otherwise stated

29 Related Party Disclosures

Current Year

(a) Name of the Related Parties and Description of Relationship:

Nature of Relationship	Name of Entity
Ultimate Controlling Company	Shapoorji Pallonji and Company Private Limited
Holding Company	Forbes and Company Limited
Ventures in respect of which the Company is a joint venture	G.S. Enterprises Sterling Investment Corporation Private Limited.
Enterprises under common control of Venturers and Holding Company	Volkart Fleming Shipping & Services (Subsidary of Forbes and Company Limited)
	Forvol International Services Limited.(Subsidary of Sterling Investment Corporation Private Limited)
	Forbes Facility Services PVt.Ltd.(Subsidary of Eureka Forbes Limited)
	Campbell Properties and Hospitality Services Limited (Subsidary of Forbes and Company Limited)
	Forbes Campbell Services Ltd
	Forbes Campbell Finance Limited
	Blue Riband Properties Private Limited
Key Management Personnel ("KMP")	Mr.Nirmal Jagawat - Chief Financial Officer Mr.Rajesh Kumar Nayak - Chief Executive Officer (W.E.F 1st Feb, 2021) Mr.Dhiraj Pahuja - Chief Executive Officer (upto 31st Jan, 2021) Mrs. Bhagyashree Bhavsar - Company Secretary (W.E.F 29th July, 2020) Mr. Ronak Gudhka - Company Secretary (upto 15th May, 2020)

Previous Year

(a) Name of the Related Parties and Description of Relationship:

Nature of Relationship	Name of Entity
Ultimate Controlling Company	Shapoorji Pallonji and Company Private Limited
Holding Company	Forbes and Company Limited
Ventures in respect of which the Company is a joint venture	G.S. Enterprises Sterling Investment Corporation Private Limited.
Enterprises under common control of Venturers and Holding Company	Volkart Fleming Shipping & Services (Subsidary of Forbes and Company Limited)
	Forvol International Services Limited.(Subsidary of Sterling Investment Corporation Private Limited)
	Forbes Facility Services PVt.Ltd.(Subsidary of Eureka Forbes Limited)
	Forbes Campbell Services Ltd
	Forbes Campbell Finance Limited
	Blue Riband Properties Private Limited
Key Management Personnel ("KMP")	Mr.Nirmal Jagawat - Chief Financial Officer Mr.Dhiraj Pahuja - Chief Executive Officer Ms. Ronak Gudhka - Company Secretary (W.E.F 1st Aug, 2019) Ms. Deepti Kulkarni - Company Secretary (upto 31st July, 2019)

Note: Transactions with related parties are conducted at arm's length on market terms.

29 **Related Party Disclosures (contd.)**

Current Year

(b) transactions/ balances with above mentioned related parties (mentioned in note 29(a) above)

Particulars	Ultimate Controlling Company	Holding Company	Joint Venturer	Enterprises Under Common Control	Key Management personnel and relatives	Total
Balances outstanding as on Mar 31, 2021						-
Payables						
Shapoorji Pallonji and Company Private Limited	-					-
Forbes and Company Limited		-				-
Forbes Facility Services Private Limited				93,993		93,993
Forvol International Services Limited				-		-
Volkart Fleming Shipping Services Ltd				-		-
Forbes Campbell Services Ltd				-		-
Forbes Campbell Finance Limited				-		-
Sterling Investment Corporation Pvt Ltd				-		-
CAMPBELL PROPERTIES & HOSPITALITY				-		-
Mr.Dhiraj Pahuja					673	673
Mr. Rajesh Kumar Nayak					19,671	19,671
Receivables						-
Transactions						-
Reimbursement of expenditure and purchase of capital assets incurred on behalf of the Company						-
Mr.Dhiraj Pahuja					2,48,162	2,48,162
Mrs. Bhagyashree Bhavasar					2,950	2,950
Mr. Rajesh Kumar Nayak					31,871	31,871
Receiving of services						-
Shapoorji Pallonji and Company Private Limited	11,46,804					11,46,804
Forvol International Services Limited				-		-
Forbes Facility Services Private Limited				4,50,086		4,50,086
Forbes and Company Limited		7,00,467				7,00,467
						-
Rent Paid						
Volkart Fleming Shipping & Services				20,00,448		20,00,448
Forbes and Company Limited		12,00,000				12,00,000
Remuneration						
Mr.Dhiraj Pahuja *					85,09,190	85,09,190
Mr. Ronak Gudhka					22,258	22,258
Mrs. Bhagyashree Bhavasar					4,21,032	4,21,032
Mr. Nirmal Jagawat					3,00,000	3,00,000
Mr. Rajesh Kumar Nayak					1230434	12,30,434
						-
Borrowings						
Shapoorji Pallonji and Company Private Limited	25,00,00,000					25,00,00,000
Borrowings Repaid						
Volkart Fleming Shipping Services Ltd				96,00,000		96,00,000
Forbes Campbell Finance Limited				22,00,000		22,00,000
CAMPBELL PROPERTIES & HOSPITALITY				2,50,000		2,50,000
Forbes Campbell Services Ltd				21,00,000		21,00,000
Sterling Investment Corporation Pvt Ltd			2,10,00,000			2,10,00,000
Shapoorji Pallonji and Company Private Limited	50,00,00,000					50,00,00,000
						-
Interest on Loans (Expense)						
Volkart Fleming Shipping Services Ltd				4,28,185		4,28,185
Forbes Campbell Services Ltd				2,20,239		2,20,239
Forbes Campbell Finance Limited				2,40,018		2,40,018
Sterling Investment Corporation Pvt Ltd			435247			4,35,247
CAMPBELL PROPERTIES & HOSPITALITY				25,392		25,392
Shapoorji Pallonji and Company Private Limited	62,22,603					62,22,603

Note: * Company's contribution toward NPS is not included under Remuneration

29 **Related Party Disclosures (contd.)**

Previous Year

(b) transactions/ balances with above mentioned related parties (mentioned in note 29(a) above)

Particulars	Ultimate Controlling Company	Holding Company	Joint Venturer	Enterprises Under Common Control	Key Management personnel and relatives	Total
Balances outstanding as on Mar 31, 2020						
						-
Payables						
Shapoorji Pallonji and Company Private Limited	25,68,77,759					25,68,77,759
Forbes and Company Limited		7,29,810				7,29,810
Forbes Facility Services Private Limited				43,840		43,840
Forvol International Services Limited				20,264		20,264
Volkart Fleming Shipping Services Ltd				1,03,91,853		1,03,91,853
Forbes Campbell Services Ltd				21,51,535		21,51,535
Forbes Campbell Finance Limited				22,55,810		22,55,810
Sterling Investment Corporation Pvt Ltd				2,10,00,000		2,10,00,000
CAMPBELL PROPERTIES & HOSPITALITY				2,56,153		2,56,153
Blue Riband Properties Private Limited				-		-
Mr.Dhiraj Pahuja					19,884	19,884
Mr. Ronak Gudhka					-	-
Receivables						-
Transactions						-
Reimbursement of expenditure and purchase of capital assets incurred on behalf of the Company						-
Mr.Dhiraj Pahuja					8,78,739	8,78,739
Receiving of services						-
Shapoorji Pallonji and Company Private Limited	9,53,806					9,53,806
Forvol International Services Limited				1,73,244		1,73,244
Forbes Facility Services Private Limited				4,39,962		4,39,962
Forbes and Company Limited		8,44,873				8,44,873
Rent Paid						-
Volkart Fleming Shipping & Services				18,26,496		18,26,496
Forbes and Company Limited		12,00,000				12,00,000
Remuneration						
Mr.Dhiraj Pahuja *					1,24,96,028	1,24,96,028
Ms. Deepti Kulkarni					60,000	60,000
Mr. Ronak Gudhka					1,20,000	1,20,000
Mr. Nirmal Jagawat					3,00,000	3,00,000
Loan given						
Mr.Dhiraj Pahuja					17,00,000	17,00,000
Loan repaid						
Mr.Dhiraj Pahuja					17,00,000	17,00,000
Borrowings						-
Volkart Fleming Shipping Services Ltd				96,00,000		96,00,000
Forbes Campbell Services Ltd				23,50,000		23,50,000
Forbes Campbell Finance Limited				30,00,000		30,00,000
Sterling Investment Corporation Pvt Ltd			2,10,00,000			2,10,00,000
CAMPBELL PROPERTIES & HOSPITALITY				2,50,000		2,50,000
Blue Riband Properties Private Limited				30,00,000		30,00,000
Shapoorji Pallonji and Company Private Limited	25,00,00,000					25,00,00,000
Borrowings Repaid						
Forbes Campbell Finance Limited				8,00,000		8,00,000
Blue Riband Properties Private Limited				30,00,000		30,00,000
Forbes Campbell Services Ltd				2,50,000		2,50,000
Interest on Loans (Expense)						-
Volkart Fleming Shipping Services Ltd				7,05,983		7,05,983
Forbes Campbell Services Ltd				1,20,309		1,20,309
Forbes Campbell Finance Limited				1,24,154		1,24,154
Sterling Investment Corporation Pvt Ltd				7,21,803		7,21,803
CAMPBELL PROPERTIES & HOSPITALITY				7,739		7,739
Blue Riband Properties Private Limited				16,373		16,373
Shapoorji Pallonji and Company Private Limited	70,69,672					70,69,672

Note: * Company's contribution toward NPS is not included under Remuneration

30. Segment reporting

The Company is only engaged in Shipping business and there are no reportable segments as per IND AS 108 'Operating Segments .'

31. Deferred Tax

Pursuant to the introduction of Section 115 VA under the Income Tax Act 1961, the Company has opted for computation of it's income from shipping acivities under the Tonnage Tax Scheme. Thus income from business of operating ships is assessed on the basis of deemed Tonnage Income of the Company and no deffered tax is applicable to such income as there are no temporary differences. The temporary difference in respect of the non-tonnage activities of the Company are not material, in view of which provision for deferred taxation is not considered as necessary.

32. Leases

Particulars	Year Ended 31-Mar-21	Year Ended 31-Mar-20
Additions to Rights-of-use of assets during the year/Opening Balance	37,99,398	65,03,911
Deletion to Rights-of-use of assets during the year	-	-
Amortisation of right-of-use of assets during the year	27,04,452	27,04,513
Interest Expenses (unwinding of discount) on lease liabilities	3,42,239	6,56,359
Lease rental expenses relating to short term leases/ low value assets	-	-
Total Cash outflows in respect of leases (including short term leases)	32,00,441	23,70,131
Carrying amount right-of-use of assets at year end (commercial premises)	10,94,946	37,99,398

33. Payment to Auditors

Particulars	As at March 31, 2021 Rs.	As at March 31, 2020 Rs.
As Auditor:		
- Audit Fees	2,20,000	2,20,000
- Tax Audit Fees	80,000	80,000
- Taxation Matters	-	-
- Other Services	2,05,000	1,00,000
- Limited Review Fees	1,50,000	1,50,000
- Out of Pocket Expenses	-	8,194
	6,55,000	5,58,194

34. The company has sold 3 of its vessels for an aggregate consideration of USD 18.13 millions to 3 different buyers. The difference between the sales consideration (net of expenses) and net book value as on the date of sale of the respective vessels has been recorded as an exceptional loss amounting to Rs 63,10,41,102 (net of foreign exchange effects) in the statement of Profit & Loss.

35. During the financial year 2020-2021, the Company had made an application for invocation of One Time Restructuring (OTR) of ECB I borrowings of USD 35,250,000 availed from Axis Bank Limited under the Resolution framework for COVID-19-related stress, pursuant to Notification(s) nos. RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated August 6, 2020 and RBI/2020-21/34 DOR.No.BP.BC/13/21.04.048/2020-21 dated September 7, 2020 issued by RBI. OTR application was approved by Axis Bank Limited with the extension period for repayment of ECB-I loan up to 30th Sep, 2022 in tranches (Original due date 2nd July, 2020). However, Company sold its three vessels during the financial year and the sale proceeds were utilised for full repayment of the ECB-I loan outstanding.

36. The Company has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of these financial statements including the recoverability of carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company has, at the date of approval of these financial statements, used internal and external sources of information and expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

37. Previous year's figures have been regrouped wherever necessary to confirm to current years classifications.

INDEPENDENT AUDITOR'S REPORT
To the Members of **Volkart Fleming Shipping & Services Limited**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Volkart Fleming Shipping & Services Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the loss (including Other Comprehensive Income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Company's Board Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

VOLKART FLEMING SHIPPING & SERVICES LIMITED
(a wholly owned subsidiary)

Financial Statements
For the Year ended March 31, 2021

Responsibility of Management for Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account

d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, there is no remuneration paid by the Company to its directors during the year under the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 26 to the financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For BATLIBOI & PUROHIT
Chartered Accountants
ICAI Firm Reg. No.101048W

Janak Mehta
Partner
Membership No. 116976

Place : Mumbai
Date : May 21, 2021
ICAI UDIN : 21116976AAAABX2255

BATLIBOI & PUROHIT
MUMBAI
CHARTERED ACCOUNTANTS

Annexure - A to the Auditors' Report

(referred to in paragraph 1 under 'Report on Other Legal and regulatory requirements' section of our report to the members of the Company of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets.

(b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

(ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.

(iii) According to the information and explanations given to us, the Company has granted unsecured loans to two bodies corporate, covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:

(a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.

(b) The schedule of repayment of principal and payment of interest has been stipulated. Receipts of two quarterly interest payments has not been regular for one body corporate. In case of the other body corporate, interest and loan is repayable on demand and it has not been demanded by the Company in the current year.

(c) There is no overdue amount remaining outstanding for more than ninety days as at the year-end for one body corporate. For the other body corporate, considering the financial position of that body corporate, the loan including accured interest is fully provided in the books of account.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Companies Act 2013 in respect of granting loans in the current year. Further there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 of the Companies Act 2013 are applicable.

(v) The Company has not accepted any deposits from the public during the year within the meaning of the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.

(vi) To the best of our knowledge and as explained the Central Government has not prescribed maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, goods and service tax, cess and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, goods and service tax, cess and other material statutory dues were in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.

(b) According to information and explanations given to us, the following dues of income tax have not been deposited by the Company on account of dispute. There are no dues of service tax, sales-tax, wealth tax, goods and service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.

Name of statute	**Nature of dues**	**Amount under dispute (Rs.)**	**Amount outstanding (Rs.)**	**Period to which the amount relates**	**Forum where dispute is pending**
Income Tax Act	Income Tax Demands	18,96,866**	Nil	A.Y. 2003-04	Bombay High Court
Income Tax Act	Income Tax Demands	870,812**	Nil	A.Y. 2009-10	Income Tax Appellate, Tribunal
Income Tax Act	Income Tax Demands	999,382	999,382	A.Y. 2015-16	CIT (Appeals)

**Demands adjusted by income tax dept. from refunds due to the Company; appeal filed by Company.

(viii) The Company did not have any outstanding loans during the year.

(ix) The Company did not raise any money by way of Initial Public Offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) The Company has not paid any remuneration to Managerial Personnel, hence paragraph 3(xi) of the order is not applicable.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Accounting Standards.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For BATLIBOI & PUROHIT
Chartered Accountants
ICAI Firm Reg. No.101048W

BATLIBOI & PUROHIT MUMBAI CHARTERED ACCOUNTANTS

Janak Mehta
Partner
Membership No. 116976

Place : Mumbai
Date : May 21, 2021
ICAI UDIN : 21116976AAAABX2255

Annexure - B to the Auditors' Report

(referred to in paragraph 2(f) under 'Report on Other Legal and regulatory requirements' section of our report to the members of the Company of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the Internal Financial Controls over financial reporting of Volkart Fleming Shipping & Services Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining Internal Financial Controls based on the Internal Control over Financial Reporting criteria established by the Company considering the essential components of Internal Control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's Internal Financial Controls over Financial Reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an Audit of Internal Financial Controls, both applicable to an Audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain Reasonable Assurance about whether adequate Internal Financial Controls over Financial Reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls system over Financial Reporting and their operating effectiveness. Our audit of Internal Financial Controls over Financial Reporting included obtaining an understanding of Internal Financial Controls over Financial Reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of Internal Control based on the assessed risk. The procedures selected depend on the Auditor's

Judgment, including the assessment of the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's Internal Financial Controls system over Financial Reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's Internal Financial Control over Financial Reporting is a process designed to provide reasonable assurance regarding the reliability of Financial Reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted Accounting Principles. A company's Internal Financial Control over Financial Reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For BATLIBOI & PUROHIT
Chartered Accountants
ICAI Firm Reg. No.101048W

BATLIBOI & PUROHIT MUMBAI CHARTERED ACCOUNTANTS

Janak Mehta
Partner
Membership No. 116976

Place : Mumbai
Date : May 21, 2021
ICAI UDIN : 21116976AAAABX2255

VOLKART FLEMING SHIPPING & SERVICES LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2021

Particulars	Note No.	As at 31-Mar-21 ₹	*As at 31-Mar-20 ₹*
ASSETS			
1 Non-current assets			
a Property, Plant and Equipment	**4**	1,23,898	*1,90,856*
b Right of use of Asset	**30**	-	*54,846*
c Investment Property	**5**	**-**	*-*
d **Financial Assets:**			
i) **Investments**			
a) Other Investments	**6**	3,91,451	*1,83,91,451*
		3,91,451	*1,83,91,451*
ii) Other financial assets	**9A**	1,59,61,624	*1,58,87,514*
		1,63,53,075	*3,42,78,965*
e **Tax assets**			
i) Current tax assets (net)	**18**	1,55,38,382	*1,95,55,873*
		1,55,38,382	*1,95,55,873*
Total Non-current assets		**3,20,15,355**	*5,40,80,540*
2 Current assets			
a **Financial Assets:**			
i) Trade receivables	**7**	-	*5,56,644*
ii) Cash and cash equivalents	**10**	10,53,419	*13,87,037*
iii) Loans	**8**	-	*96,00,000*
iv) Other financial assets	**9B**	13,479	*3,41,121*
		10,66,898	*1,18,84,802*
b Other current assets	**11**	2,10,767	*3,75,651*
Total Current assets		**12,77,665**	*1,22,60,453*
Total Assets		**3,32,93,020**	*6,63,40,993*
EQUITY AND LIABILITIES			
Equity			
a Equity share capital	**12**	50,38,500	*50,38,500*
b Other equity	**13**	2,07,21,293	*5,52,31,352*
Total Equity		**2,57,59,793**	*6,02,69,852*
Liabilities			
1 Non-current liabilities			
a Deferred tax liabilities (net)	**15**	1,103	*1,103*
Total Non-current liabilities		**1,103**	*1,103*
2 Current liabilities			
a **Financial liabilities:**			
i) Trade and other payables	**17**		
a) total outstanding dues of micro enterprises and small enterprises; and		37,000	*36,000*
b) total outstanding dues of creditors other than micro enterprises and small enterprises		19,26,205	*16,05,765*
ii) Lease liability		-	*57,457*
iii) Other financial liabilities	**14**	22,99,840	*22,99,840*
		42,63,045	*39,99,062*
b Current tax liabilities (net)	**18**	15,01,111	*17,43,797*
c Other current liabilities	**16**	17,67,968	*3,27,179*
Total Current Liabilities		**75,32,124**	*60,70,038*
Total Liabilities		**75,33,227**	*60,71,141*
Total Equity and Liabilities		**3,32,93,020**	*6,63,40,993*

See accompanying notes forming part of the financial statements

As per our report of even date
For Batliboi & Purohit
Chartered Accountants
Firm Reg No.-101048W

Janak Mehta
Partner
Membership No.: 116976
Mumbai, 21st May, 2021

SHRIKRISHNA BHAVE ____________________ *Chairperson*

NIRMAL JAGAWAT ____________________

RAVINDER PREM ____________________ *Directors*

PANKAJ KHATTAR ____________________
Mumbai, 21st May, 2021

VOLKART FLEMING SHIPPING & SERVICES LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021

	Particulars	Note No.	Year Ended 31-Mar-21 ₹	*Year Ended 31-Mar-20 ₹*
I	Revenue from operations	19	72,68,799	*86,28,974*
II	Other income	20	14,93,575	*8,04,085*
III	**Total Income (I + II)**		**87,62,374**	*94,33,059*
IV	**Expenses:**			
	Employee benefits expense	21	10,26,645	*3,47,046*
	Finance cost	22	2,543	*7,767*
	Depreciation and amortisation expense	23	1,21,804	*1,21,802*
	Other expenses	24A	62,22,299	*27,03,125*
	Total expenses		**73,73,291**	*31,79,740*
V	**Profit / (loss) before exceptional items and tax (III - IV)**		**13,89,083**	*62,53,319*
VI	Exceptional items	24B	(3,41,88,992)	*(20,00,000)*
VII	**Profit / (Loss) before tax (V + VI)**		**(3,27,99,909)**	*42,53,319*
VIII	**Tax expense / (credit):**			
	Current tax	25	**15,15,000**	*13,67,000*
	Income tax of prior year	25	**1,95,150**	-
	Deferred tax	25	**-**	-
			17,10,150	*13,67,000*
IX	**Profit for the year (VII - VIII)**		**(3,45,10,059)**	*28,86,319*
X	**Other Comprehensive Income**			
	Total Other Comprehensive Income		-	-
XI	**Total Comprehensive Income for the year (IX + X)**		**(3,45,10,059)**	*28,86,319*
XII	**Earning per equity share :**			
	Basic and diluted earnings per equity share	27	**₹ (684.93)**	*₹ 57.29*

See accompanying notes forming part of the financial statements

As per our report of even date
For Batliboi & Purohit
Chartered Accountants
Firm Reg No.-101048W

Janak Mehta
Partner
Membership No.: 116976
Mumbai, 21st May, 2021

SHRIKRISHNA BHAVE ________________________ *Chairperson*

NIRMAL JAGAWAT ________________________

RAVINDER PREM ________________________

PANKAJ KHATTAR ________________________

Directors

Mumbai, 21st May, 2021

VOLKART FLEMING SHIPPING & SERVICES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 - Continued

	Year Ended 31-Mar-21 ₹		*Year Ended 31-Mar-20 ₹*	
Cash flows from operating activities				
Profit / (Loss) before tax		**(3,27,99,909)**		*42,53,319*
Adjustments for -				
Finance costs recognised in profit or loss	2,543		*7,767*	
Depreciation on fixed assets	1,21,804		*1,21,802*	
Interest Income	(14,93,575)		*(8,04,085)*	
Impairment of Investment in Fellow Subsidiary	1,80,00,000		*20,00,000*	
Provision for doubtful Income Tax Assets	34,53,513		-	
Provision for doubtful loans and advances	1,53,00,000		-	
Provision for accrued interest	8,88,992		-	
		3,62,73,277		*13,25,484*
Operating profit / (loss) before working capital changes		**34,73,368**		*55,78,803*
Movements in working capital:				
Decrease / (increase) in trade receivables and other financial assets	6,17,622		*(6,24,562)*	
(Increase)/decrease in other assets	1,64,884		*67,872*	
Increase / (decrease) in trade payables and other financial liabilities	3,21,440		*13,471*	
Increase / (decrease) in other liabilities	14,40,789		*(3,39,432)*	
		25,44,735		*(8,82,651)*
Cash generated from / (used in) operations		**60,18,103**		*46,96,152*
Income taxes paid (net of refunds)		(13,88,858)		*(9,77,444)*
(a) Net cash generated from / (used in) operating activities		*46,29,245*		*37,18,708*
Cash flows from investing activities:				
Inter-corporate deposits placed with related parties	(1,53,00,000)		*(96,00,000)*	
Inter-corporate deposits refunded by related parties	96,00,000			
Investments in bank deposits	(5,99,696)		-	
Redemption/maturity of bank deposits	5,99,696			
Interest received	7,97,137		*6,64,209*	
(b) Net cash generated from / (used in) investing activities		**(49,02,863)**		*(89,35,791)*
Cash flows from financing activities:				
Payment of Lease Liabilities	(60,000)		*(60,000)*	
Interest paid	-		-	
(c) Net cash generated from / (used in) financing activities		**(60,000)**		*(60,000)*
(d) Net increase / (decrease) in cash and cash equivalents (a + b + c)		**(3,33,618)**		*(52,77,083)*
(e) Cash and cash equivalents as at the commencement of the year		13,87,037		*66,64,120*
(f) Cash and cash equivalents as at the end of the year		**10,53,419**		*13,87,037*

See accompanying notes forming part of the financial statements

As per our report of even date
For Batliboi & Purohit
Chartered Accountants
Firm Reg No.-101048W

Janak Mehta
Partner
Membership No.: 116976
Mumbai, 21st May, 2021

SHRIKRISHNA BHAVE __________________ *Chairperson*

NIRMAL JAGAWAT ____________________

RAVINDER PREM ____________________ *Directors*

PANKAJ KHATTAR ______________________

Mumbai, 21st May, 2021

VOLKART FLEMING SHIPPING & SERVICES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 - Continued

Statement of changes in equity for the year ended 31st March, 2021

A. Equity share capital	**No.of Shares**	**Amount**
		₹
Balance at 1st April, 2019	50,385	50,38,500
Changes in equity share capital during the year	-	-
Balance at 31st March, 2020	**50,385**	**50,38,500**
Changes in equity share capital during the year	-	-
Balance at 31st March, 2021	**50,385**	**50,38,500**

B. Other Equity

	Reserves and surplus			**Total Other Equity**
	General reserve	**Retained earnings**	**Capital Redemption Reserve**	
	₹	₹	₹	₹
Balance as at 31.03.2019	**70,04,807**	**4,23,78,726**	**29,61,500**	**5,23,45,033**
Profit/(loss) for the year	-	28,86,319	-	28,86,319
Balance as at 31.03.2020	**70,04,807**	**4,52,65,045**	**29,61,500**	**5,52,31,352**
Profit/(loss) for the year		(3,45,10,059)		(3,45,10,059)
Balance as at 31.03.2021	**70,04,807**	**1,07,54,986**	**29,61,500**	**2,07,21,293**

See accompanying notes forming part of the financial statements

As per our report of even date
For Batliboi & Purohit
Chartered Accountants
Firm Reg No.-101048W

Janak Mehta
Partner
Membership No.: 116976
Mumbai, 21st May, 2021

SHRIKRISHNA BHAVE ____________________ *Chairperson*

NIRMAL JAGAWAT ______________________

RAVINDER PREM ______________________ *Directors*

PANKAJ KHATTAR ______________________
Mumbai, 21st May, 2021

1. GENERAL INFORMATION

Volkart Fleming Shipping & Services Limited was incorporated on 2nd August, 1985 in India having its registered office at Cassinath Building, A.K. Nayak Marg, Fort, Mumbai 400 001. The Company is a subsidiary of Forbes & Company Limited and is mainly engaged in the real estate business.

2. SIGNIFICANT ACCOUNTING POLICIES

i) Statement of Compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of Companies Act, 2013 [Companies (Indian Accounting Standards) Rules, 2015].

ii) Basis of Preparation and Presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period

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 the purpose of classification of its assets and liabilities as current and non current .

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

The functional currency of the Company is Indian Rupee(INR).

iii) Property, Plant and Equipment

Property, Plant and Equipment are stated at cost of acquisition, less accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price (excluding refundable taxes), borrowing costs if capitalization criteria are met and 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 to be 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 & cost can be reliably measured.

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 life prescribed in Schedule II to the Companies Act 2013.

The estimated useful lives of the property, plant and equipment are as under:

Sr. No.	Class of assets	Estimated useful life
a	Office equipment	5 years

iv) Capital work-in-progress

Projects under which tangible fixed assets are not yet ready for their use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

v) Investment property

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. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16's requirements for cost model.

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 profit or loss in the period in which the property is derecognised.

vi) Intangible Assets

Intangible assets, being computer software, are to be 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 to be recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are to be 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 to be 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.

vii) Intangible assets under development

Expenditure on development eligible for capitalisation is to be carried as intangible assets under development where such assets are not yet ready for their intended use.

viii) Impairment of Assets

The Company assesses at each balance sheet date 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. 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.

ix) <u>Deemed cost for property, plant and equipment</u>

The Company has elected to continue with the carrying value of all of its plant and equipment and intangible assets recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

x) Financial instruments

Financial assets and financial liabilities are recognised when a Company entity becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

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

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 profit or loss. The net gain or loss recognised in profit or 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 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 transactions that are within the scope of Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a Company entity 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.

Foreign exchange gains and losses

For financial liabilities that are to be 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 Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. 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 and payable is recognised in profit or loss.

Impairment of financial assets :

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

xi) 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.

xii) 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.

Contingent liability is disclosed for (i) Possible obligations which will be confirmed only by 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.

xiii) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

Sale of Services:

Income from services is recognised on accrual basis as and when the services are performed.

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).

xiv) Lease accounting

Operating Leases

Leases, where the lessor retains, substantially all the risks and rewards incidental to ownership of the leased assets, are classified as operating lease. Operating lease expense / income are recognized in the statement of profit and loss on a straight-line basis over the lease term.

xv) Taxes on Income

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. 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 separate 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.

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.

Current and deferred tax are recognised in profit or 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.

xvi) Cash and Cash Equivalents

In the cash flow statement, cash and cash equivalents includes cash on hand, cheques, drafts on hand, balances in current accounts with banks, other bank deposits with original maturities of three months or less.

xvii) Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. Other borrowing costs are recognised as an expense in the period in which they are incurred.

xviii) 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.

3. RECENT AMENDMENTS TO INDIAN ACCOUNTING STANDARDS:

On 24 July 2020, the Ministry of Corporate Affairs (MCA) had issued amendments to certain Ind AS as follows:

i) Ind AS 103 - Business Combinations:

The definition of the term "business" has been revised. An optional test has been introduced to identify concentration of fair value to permit a simplified assessment of whether an acquired set of activities and assets is not a business. Additional guidance with elements of business and on assessing whether an acquired process is substantive. An entity is required to apply the amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after the 1 April 2020 and to asset acquisitions that occur on or after the beginning of that period. There was no impact on the financial statements of the Company on adoption of the above amendments for the year.

ii) Ind AS 107 - Financial Instruments: Disclosures:

Additional disclosures have been introduced for uncertainties arising from interest rate benchmark reforms consequential to the hedge accounting related amendments in the Ind AS 109 – Financial Instruments. The Company did not have any transactions during the year to which these amendments were applicable.

iii) Ind AS 109 - Financial Instruments:

Temporary exceptions from applying specific hedge accounting requirements have been introduced for all hedging relationships directly affected by 'interest rate benchmark reform'. (i.e. the market-wide reform of an interest rate benchmark, including the replacement of an interest rate benchmark with an alternative benchmark rate). This amendment is effective for annual reporting periods beginning on or after 1 April 2020. The Company did not have any transactions during the year to which these amendments were applicable.

iv) Ind AS 116 - Leases:

A Practical expedient has been allowed to permit lessees to exclude COVID-19 related rent concessions to be treated as a lease modification. This amendment is applicable to the Company from annual reporting periods beginning on or after 1 April 2020. There were no rent concessions during the year and accordingly, there was no impact on the financial statements of the Company on adoption of the above amendments for the year.

v) Ind AS 1 - Presentation of Financial Statements and Ind AS 8 -Accounting Policies, Changes in Accounting Estimates and Errors (and consequential amendments to other Ind AS):

The definition of the term "material" has been revised and is applicable prospectively for annual periods beginning on or after 1 April 2020. Consequent to the revised definition of "material", certain amendments were also notified in the Ind AS 10 - Events after the Reporting Period, Ind AS 34 - Interim Financial Reporting and Ind AS 37 -Provisions, Contingent Liabilities and Contingent Assets.

There was no impact on the financial statements of the Company on adoption of this amendment for the year.

vi) Standards issued but not yet effective:

As on the date of approval of these financial statements, there were no new standards or amendments which have been notified but not yet adopted by the Company and expected to have any material impact on the financial statements of the Company.

4. Property, Plant and Equipment

	As at 31st Mar., 2021 Office equipment	As at 31st Mar., 2021 Total
Cost or Deemed cost		
Balance at Beginning of the year	3,34,792	3,34,792
Additions	-	-
Disposal	-	-
Balance at End of the year	**3,34,792**	**3,34,792**
Accumulated depreciation and impairment		
Balance at Beginning of the year	1,43,936	1,43,936
Eliminated on disposals of assets	-	-
Depreciation expense	66,958	66,958
Balance at End of the year	**2,10,894**	**2,10,894**
Carrying Amount		
Balance at Beginning of the year	1,90,856	1,90,856
Addition	-	-
Disposal	-	-
Depreciation expense	66,958	66,958
Balance at End of the year	**1,23,898**	**1,23,898**

	As at 31st Mar., 2020 Office equipment	As at 31st Mar., 2020 Total
Cost or Deemed cost		
Balance at Beginning of the year	3,34,792	3,34,792
Additions	-	-
Disposal	-	-
Balance at End of the year	**3,34,792**	**3,34,792**
Accumulated depreciation and impairment		
Balance at Beginning of the year	76,978	76,978
Eliminated on disposals of assets	-	-
Depreciation expense	66,958	66,958
Balance at End of the year	**1,43,936**	**1,43,936**
Carrying Amount		
Balance at Beginning of the year	2,57,814	2,57,814
Addition	-	-
Disposal	-	-
Depreciation expense	66,958	66,958
Balance at End of the year	**1,90,856**	**1,90,856**

5. Investment property

₹

	As at 31st Mar., 2021	*As at 31st Mar., 2020*
Completed investment properties	-	-
Total	**-**	**-**

Cost or Deemed Cost	**As at 31st Mar., 2021**	*As at 31st Mar., 2020*
Balance at beginning of year	3,113	*3113*
Additions		
Disposals		
Other transfers		
Effect of foreign currency exchange differences		
Other changes		
Property reclassified as held for sale		
Balance at end of year	3,113	*3,113*

Accumulated depreciation and impairment	**As at 31st Mar., 2021**	*As at 31st Mar., 2020*
Balance at beginning of year	3,113	*3,113*
Additions		
Disposals		
Other transfers		
Effect of foreign currency exchange differences		
Other changes		
Property reclassified as held for sale		
Balance at end of year	3,113	*3,113*

5.1 Fair value measurement of the Company's investment properties

The fair value of the Company's investment properties as at 31st March, 2021 and 31st March, 2020 have been arrived at on the basis of a valuation carried out as on the respective dates by *V.S.Modi a* , independent valuers not related to the Company. V.S. Modi is registered with the authority which governs the valuers in India, and they 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 Company's investment properties and information about the fair value hierarchy as at 31st March, 2021 and 31st March, 2020 are as follows:

As at 31st Mar., 2021

₹

Particulars	**Level 3**
New Delhi - Building	8,27,50,000
Karnataka - Building	1,50,00,000
Maharashtra - Building	12,27,74,500
Total	22,05,24,500

As at 31st Mar., 2020

₹

Particulars	*Level 3*
New Delhi - Building	8,54,70,000
Karnataka - Building	1,55,00,000
Maharashtra - Building	12,66,89,300
Total	*22,76,59,300*

5.2 Note on Investment property direct expenses included in other expenses:-

	As at 31st Mar., 2021	*As at 31st Mar., 2020*
Direct operating expenses arising from investment property that generated rental income during the year	*12,41,698*	*15,46,867*
Direct operating expenses arising from investment property that did not generate rental income during the year	*8,53,965*	*2,72,422*
Total	***20,95,663***	***18,19,289***

6. Other investments

Other Non Current Investments

Particulars	As at 31st Mar., 2021 Qty	As at 31st Mar., 2021 Amount ₹	*As at 31st Mar., 2020 Qty*	*As at 31st Mar., 2020 Amount ₹*
Unquoted Investments (all fully paid) (other than trade investments)				
(i) Investments in Carmel Properties Pvt. Ltd. held at Cost (since it is towards investment property refer note no. 1 below) :-				
(a) Equity shares of Rs. 10 each	1,125	2,500	*1,125*	*2,500*
(b) Irredeemable debentures of Rs. 100 each	3,089	3,88,951	*3,089*	*3,88,951*
Total (i)	4,214	3,91,451	*4,214*	*3,91,451*
(ii) Investments in Forbes Technosys Limited at cost (Fellow subsidiary)				
(a) 10% Optionally Redeemable compulsory Convertible, Non Cumulative Preference Shares of Rs. 10 each in Forbes Technosys Limited	20,00,000	2,00,00,000	*20,00,000*	*2,00,00,000*
Total (iI)	20,00,000	2,00,00,000	*20,00,000*	*2,00,00,000*
TOTAL AGGREGATE UNQUOTED INVESTMENTS (A)	**20,04,214**	**2,03,91,451**	*20,04,214*	*2,03,91,451*
TOTAL INVESTMENTS	**20,04,214**	**2,03,91,451**	*20,04,214*	*2,03,91,451*
Less : Aggregate amount of impairment in value of investments (B)	-	2,00,00,000		*20,00,000*
TOTAL INVESTMENTS CARRYING VALUE (A) - (B)		**3,91,451**		*1,83,91,451*
Aggregate market value of quoted investments		-		-

Note 1:-

(Carmel property is a residential flat at Mumbai, market value as at 31.03.2021 is ₹ 9,88,03,500/-, *31.03.2020 is ₹ 10,19,48,000/-* as per valuation report issued by V.S.Modi Associates, Chartered Engineer, Govt. Approved Valuers, Mumbai)

.1A. Category-wise other investments – as per Ind AS 109 classification

₹

Particulars	As at 31st Mar., 2021	*As at 31st Mar., 2020*
Financial assets carried at amortised cost		
Equity Instruments	2,500	*2,500*
Preference Instruments	-	*1,80,00,000*
Debentures	3,88,951	*3,88,951*
Sub Total	**3,91,451**	*1,83,91,451*
Total	**3,91,451**	*1,83,91,451*

7. Trade receivables

Particulars	As at 31st Mar., 2021	*As at 31st Mar., 2020*
a) Unsecured, considered good	-	*5,56,644*
Total	-	*5,56,644*

8. Loans�

Particulars	As at 31st Mar., 2021	*As at 31st Mar., 2020*
Loans (Inter-Corporate Deposit) to related parties (Refer note 33)		
- Unsecured, considered good	-	*96,00,000*
- Doubtful	1,53,00,000	-
Less : Allowance for bad and doubtful loans	(1,53,00,000)	-
Total	-	*96,00,000*

9. Other financial assets

9A. Other financial assets - Non current

₹

Particulars	As at 31st Mar., 2021	*As at 31st Mar., 2020*
a) Security deposits		
- Unsecured, considered good	1,53,61,928	*1,53,56,178*
sub total (a)	**1,53,61,928**	*1,53,56,178*
b) Balance held as Deposits with banks with remaining maturity period of more than 12 months	**5,99,696**	*5,00,000*
c) Interest Accrued on Deposits with Banks	**-**	*31,336*
Total	**1,59,61,624**	*1,58,87,514*

9B. Other financial assets - Current

₹

Particulars	As at 31st Mar., 2021	*As at 31st Mar., 2020*
a) Accruals:		
i) Interest accrued on Loan given to related parties	-	*2,35,209*
ii) Interest Accrued on Deposits with Banks	5,545	*31,250*
iii) Interest accrued on Loan given to related parties- Doubtful	8,88,992	-
Less : Allowance for doubtful interest	(8,88,992)	-
sub total (a)	**5,545**	*2,66,459*
b) Contractually reimbursable expenses to related parties		
- Secured, considered good	-	-
- Unsecured, considered good	7,934	*74,662*
sub total (b)	**7,934**	*74,662*
Total	**13,479**	*3,41,121*

10. Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the balance sheet as follows:

₹

Particulars	**As at 31st Mar., 2021**	*As at 31st Mar., 2020*
Balances with Banks		
a) In current accounts	10,53,419	*13,87,037*
b) Deposits accounts (with original maturity upto 3 months)	-	-
	10,53,419	*13,87,037*
Cash on hand	-	-
Cash and cash equivalents as per balance sheet	**10,53,419**	*13,87,037*

₹

11. Other assets - Current	**As at 31st Mar., 2021**	*As at 31st Mar., 2020*
a) Advances for supply of goods and services		
- Unsecured, considered good	-	*5,802*
b) Balances with statutory / government authorities		
- Unsecured, considered good	2,10,767	*3,69,849*
Total	**2,10,767**	*3,75,651*

12. Equity Share Capital

₹

Particulars	As at 31st Mar., 2021	*As at 31st Mar., 2020*
Equity shares of ₹ 10 each	**50,38,500**	*50,38,500*
Total	**50,38,500**	*50,38,500*
Authorised Share capital :		
1,00,000 fully paid equity shares of ₹ 100 each	**1,00,00,000**	*1,00,00,000*
Issued and subscribed capital comprises:		
50,385 fully paid equity shares of ₹ 100 each	**50,38,500**	*50,38,500*
	50,38,500	*50,38,500*

12.1 Fully paid equity shares

Particulars	Number of shares	Share capital (Amount)
Balance at April 1, 2019	**50,385**	**50,38,500**
Movements	-	-
Balance at March 31, 2020	**50,385**	**50,38,500**
Movements	-	-
Balance at March 31, 2021	**50,385**	**50,38,500**

Fully paid equity shares, which have a par value of Rs.100, carry one vote per share and carry a right to dividends.

12.2 Details of shares held by the holding company, the ultimate controlling party, their subsidiaries and associates

Particulars	Fully paid ordinary shares	
	As at 31st Mar., 2021	*As at 31st Mar., 2020*
Balance at the beginning of the period	**50,385**	*50,385*
The holding company	-	-
Total	**50,385**	*50,385*

12.3 Details of shares held by each shareholder holding more than 5% shares

Particulars	As at 31st Mar., 2021		*As at 31st Mar., 2020*	
	Number of shares held	% holding in the class of shares	*Number of shares held*	*% holding in the class of shares*
Fully paid equity shares				
Forbes & Company Limited	**50,385**	**100.00**	*50,385*	*100.00*
Total	**50,385**	**100.00**	*50,385*	*100.00*

VOLKART FLEMING SHIPPING & SERVICES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 - Continued

13. Other equity

₹

	Particulars	As at 31st Mar., 2021	*As at 31st Mar., 2020*
a)	General reserve	**70,04,807**	*70,04,807*
b)	Retained earnings	**1,07,54,986**	*4,52,65,045*
c)	Capital redemption reserve	**29,61,500**	*29,61,500*
	Total	**2,07,21,293**	*5,52,31,352*

₹

Particulars	As at 31st Mar., 2021	*As at 31st Mar., 2020*
13.1 General reserve (Refer Note 1)		
Balance at beginning of the year	**70,04,807**	*70,04,807*
Movements	**-**	*-*
Balance at end of the year	**70,04,807**	*70,04,807*

Note 1: The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

₹

Particulars	As at 31st Mar., 2021	*As at 31st Mar., 2020*
13.2 Retained earnings		
Balance at beginning of year	**4,52,65,045**	*4,23,78,726*
Profit/(Loss) attributable to owners of the Company	**(3,45,10,059)**	*28,86,319*
Balance at end of the year	**1,07,54,986**	*4,52,65,045*

₹

Particulars	As at 31st Mar., 2021	*As at 31st Mar., 2020*
13.3 Capital redemption reserve		
Balance at beginning of the year	**29,61,500**	*29,61,500*
Movements	**-**	*-*
Balance at end of the year	**29,61,500**	*29,61,500*
Total	**2,07,21,293**	*5,52,31,352*

14. Other financial liabilities

Particulars	As at 31st Mar., 2021	*As at 31st Mar., 2020*
a) Others :-		
i) Security deposits	**22,99,840**	*22,99,840*
Total	**22,99,840**	*22,99,840*

* There are no amounts due and outstanding to be credited to Investor Education and Protection Fund

15. Deferred tax balances

The following is the analysis of deferred tax assets/(liabilities) presented in the balance sheet:

₹

Particulars	As at 31st Mar., 2021	*As at 31st Mar., 2020*
Deferred tax assets	**-**	*-*
Deferred tax liabilities	**1,103**	*1,103*
Net	**(1,103)**	*(1,103)*

Current Year (2020-21) ₹

Particulars	Opening balance	Utilisation	Closing balance
Deferred tax (liabilities)/assets in relation to:			
a) Property, plant and equipment	(1,103)	-	**(1,103)**
Total (A) ...	(1,103)	-	**(1,103)**
b) Others (MAT Credit)	-	-	**-**
Total (B) ...	-	-	**-**
Total (A+B) ...	(1,103)	-	**(1,103)**

Previous Year (2019-20) ₹

Particulars	*Opening balance*	*Recognised in profit or loss*	*Closing balance*
Deferred tax (liabilities)/assets in relation to:			
a) Property, plant and equipment	*(1,103)*	*-*	*(1,103)*
Total (A) ...	*(1,103)*	*-*	*(1,103)*
b) Others (MAT Credit)	*-*	*-*	*-*
Total (B) ...	*-*	*-*	*-*
Total (A+B) ...	*(1,103)*	*-*	*(1,103)*

16. Other current liabilities

Particulars	As at 31st Mar., 2021	*As at 31st Mar., 2020*
a) Advances from Customers	**16,76,793**	*3,20,000*
b) Statutory remittances	**87,975**	*7,179*
c) Others	**3,200**	*-*
Total	**17,67,968**	*3,27,179*

17. Trade payables

Particulars	As at 31st Mar., 2021	*As at 31st Mar., 2020*
Micro and small enterprises	**37,000**	*36,000*
Others	**19,26,205**	*16,05,765*
Total	**19,63,205**	*16,41,765*

Payable to Micro and small enterprises represents the principal amount. There is no interest due / accrued / paid / payable during the year.
The Company ensures that all payables are paid within the agreed terms.

18. Current tax assets and liabilities

₹

Particulars	As at 31st Mar., 2021	*As at 31st Mar., 2020*
Current tax assets		
Tax refund receivable	**1,55,38,382**	*1,95,55,873*
	1,55,38,382	*1,95,55,873*
Current tax liabilities		
Income tax payable	**15,01,111**	*17,43,797*
	15,01,111	*17,43,797*
Current Tax Assets (current portion)	**-**	*-*
Current Tax Assets (non-current portion)	**1,55,38,382**	*1,95,55,873*

19. Revenue from operations

₹

Particulars	Year ended 31st Mar., 2021	*Year ended 31st Mar., 2020*
a) **Other operating revenues**		
i) Rent and amenities	72,68,799	*86,28,974*
Total	**72,68,799**	*86,28,974*

20. Other Income

Interest Income

₹

Particulars	Year ended 31st Mar., 2021	*Year ended 31st Mar., 2020*
i) Inter-corporate deposit	13,89,255	*7,05,983*
ii) Income Tax refund	51,921	*47,941*
iii) Long Term Investments	3,089	*3,089*
iv) Bank deposits	49,310	*47,072*
Total	**14,93,575**	*8,04,085*

21. Employee benefits expense

₹

Particulars	Year ended 31st Mar., 2021	*Year ended 31st Mar., 2020*
i) Salaries and Wages	10,26,316	*3,45,261*
ii) Staff Welfare Expenses	329	*1,785*
Total	**10,26,645**	*3,47,046*

22. Finance costs

₹

Particulars	Year ended 31st Mar., 2021	*Year ended 31st Mar., 2020*
(a) **Interest costs :-**		
i) Other interest expense	2,543	*7,767*
Total (a)	**2,543**	*7,767*

23. Depreciation and amortisation expense

₹

	Particulars	Year ended 31st Mar., 2021	*Year ended 31st Mar., 2020*
i)	Depreciation of Property Plant & Equipment	66,958	*66,958*
ii)	Amortisation of ROU Assets- Lease	54,846	*54,844*
	Total	**1,21,804**	*1,21,802*

24. A. Other expenses

₹

	Particulars	Year ended 31st Mar., 2021	*Year ended 31st Mar., 2020*
a)	Power and fuel	92,069	*76,947*
b)	Rent and hire charges	8,880	*8,880*
c)	**Repairs to :**		
	i) Buildings	8,43,111	*4,22,938*
	ii) Others	36,108	*38,500*
		8,79,219	*4,61,438*
d)	Rates and taxes (excluding taxes on income)	13,21,792	*13,78,152*
e)	Printing & Stationery	350	-
f)	Communication	6,484	*4,961*
g)	Legal and professional charges	1,37,109	*85,225*
h)	Travelling and conveyance	12,191	*14,565*
i)	Provision for doubtful Income Tax Assets	34,53,513	-
j)	Housekeeping Charges	96,500	*1,26,928*
k)	Security Charges	1,50,000	*4,50,000*
l)	Miscellaneous expenses	24,192	*35,478*
	Total (A)	**61,82,299**	*26,42,574*
m)	**To Statutory auditors**		
	i) For audit	40,000	*40,000*
	ii) For other services	-	*20,000*
	iii) For reimbursement of expenses	-	*551*
	Total (B)	**40,000**	*60,551*
	Total (A) + (B)	**62,22,299**	*27,03,125*

B. Exceptional items

	Particulars	Year ended 31st Mar., 2021	*Year ended 31st Mar., 2020*
a)	Provision for doubtful loans and advances to related parties	(1,53,00,000)	-
b)	Prov for doubtful Interest on Loan to related parties	(8,88,992)	-
c)	Reversal/(Provision) for impairment in the value of investments in fellow subsidiary	(1,80,00,000)	*(20,00,000)*
	(Refer Note 33)	**(3,41,88,992)**	*(20,00,000)*

25. Income taxes relating to continuing operations

25.1 Income tax recognised in profit or loss

₹

Particulars	Year ended 31st Mar., 2021	*Year ended 31st Mar., 2020*
Current tax		
In respect of the current year	15,15,000	*13,67,000*
In respect of prior years	1,95,150	-
	17,10,150	*13,67,000*
Deferred tax		
In respect of the current year	-	-
	-	-
Total income tax expense recognised in the current year relating to continuing Operations	**17,10,150**	*13,67,000*

The income tax expense for the year can be reconciled to the accounting profit as follows:

₹

Particulars	Year ended 31st Mar., 2021	*Year ended 31st Mar., 2020*
Profit before tax from continuing operations	**(3,27,99,909)**	*42,53,319*
Income tax expense calculated at 26% (2019-2020: 26%)	(85,27,976)	11,05,863
Effect of expense that is non deductible in determining taxable profit	98,72,655	6,33,558
Effect of tax incentives and concession	(4,88,105)	(5,79,894)
Effect of business losses not allowed to be set off	6,57,848	2,06,828
Rounding off of tax provision	578	646
Adjustments recognised in the current year in relation to the current tax of prior years	1,95,150	-
Income tax expense recognised in profit or loss (relating to continuing operations)	**17,10,150**	**13,67,000**

The tax rate used for the 2020-2021 and 2019-2020 reconciliations above is the corporate tax rate of 26% payable by corporate entities in India on taxable profits under the Indian tax law.

26. Contingent liabilities

Particulars	**As at 31st Mar., 2021**	*As at 31st Mar., 2020*
(i)Income Tax Matters	37,67,060	*37,67,060*

27. Earnings per share

Particulars	**Year ended 31st Mar., 2021**	*Year ended 31st Mar., 2020*
	₹. per share	*₹. per share*
Basic earnings per share	**(684.93)**	*57.29*
Diluted earnings per share	**(684.93)**	*57.29*

27.1. Basic Earnings per share

The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows.

Particulars	**Year ended 31st Mar., 2021**	*Year ended 31st Mar., 2020*
Profit/(Loss) for the year attributable to owners of the Company (A) ₹	**(3,45,10,059)**	*28,86,319*
Weighted average number of equity shares for the purposes of basic earnings per share (B)	**50,385**	*50,385*
Basic Earnings per share (A/B) ₹	**(684.93)**	*57.29*

27.2. Diluted earnings per share

There is no dilution of equity shares.

28. Financial instruments

28.1. 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 mainly consists of equity of the Company (comprising issued capital, general reserves, retained earnings and capital redemption reserve as detailed in notes 12 to 13).

The company is not exposed to currency risk as there are no forex transactions and also no exposure to interest rate risks since no variable rate instruments.

As at 31.03.2021 there are no borrowings and currently Company does not intend to borrow and there is no line of credit. with bank, hence no gearing ratio.

28.2 Categories of financial instruments

₹

Particulars	As at 31st Mar., 2021	*As at 31st Mar., 2020*
Financial assets		
Measured at Amortised Cost		
Cash and bank balances	10,53,419	*13,87,037*
Trade Receivable	-	*5,56,644*
Loans (Inter Corporate Deposit)	-	*96,00,000*
Other Financial Assets	1,59,75,103	*1,62,28,635*
Investments in Equity Instruments	2,500	*2,500*
Investments in Preference Shares	-	*1,80,00,000*
Investments in Debentures	3,88,951	*3,88,951*
	1,74,19,973	*4,61,63,767*
Financial liabilities		
Measured at Amortised Cost		
Trade and Other payables	19,63,205	*16,41,765*
Other Financial Liabilities	22,99,840	*22,99,840*
	42,63,045	*39,41,605*

28.3 Financial risk management objectives

The company monitors and manages the financial risks to the operations of the company . These risks include credit risk and liquidity risk.

23.9 Credit risk management

Based on the Company's monitoring of customer credit risk, the company believes that no impairment allowance is necessary in respect of trade receivables that are not past due or past due but not more than one year.

Liquidity risk management

Liquidity Risk Management implies maintenance of sufficient cash and bank balance to meet obligations when due. The company manages liquidity risk by maintaining adequate funds, by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

₹

Maturities of Financial Liabilities	**31-Mar-21**			
	Upto 1 year	**1 to 3 years**	**3 to 5 years**	**5 years & above**
Trade Payables	19,63,205			
Other Financial Liabilities	22,99,840			
	42,63,045	-	-	-

₹

Maturities of Financial Liabilities	*31-Mar-20*			
	Upto 1 year	*1 to 3 years*	*3 to 5 years*	*5 years & above*
Trade Payables	*16,41,765*			
Other Financial Liabilities	*22,99,840*	-		
	39,41,605	-	-	-

VOLKART FLEMING SHIPPING & SERVICES LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 - Continued

29. Related Party Disclosures

Current Year

(a) Name of the Related Parties and Description of Relationship:

Nature of Relationship	Name of Entity	Abbreviation used
Ultimate Holding Company	Shapoorji Pallonji and Company Private Limited	SP&CPL
Holding Company	Forbes & Company Limited	F&CL
Fellow Subsidiaries (where there are transactions)	Shapoorji Pallonji Forbes Shipping Limited (Formerly known as SCI Forbes Limited) Forbes Facility Services Pvt. Ltd. Forbes Campbell Services Ltd. Campbell Properties & Hospitality Services Ltd. Forbes Technosys Limited	SPFSL FFSPL FCSL CP&HSL FTL

Previous Year

(a) Name of the Related Parties and Description of Relationship:

Nature of Relationship	*Name of Entity*	*Abbreviation used*
Ultimate Holding Company	*Shapoorji Pallonji and Company Private Limited*	*SP&CPL*
Holding Company	*Forbes & Company Limited*	*F&CL*
Fellow Subsidiaries (where there are transactions)	*Shapoorji Pallonji Forbes Shipping Limited (Formerly known as SCI Forbes Limited) Forbes Facility Services Pvt. Ltd. Forbes Technosys Limited Forbes Campbell Services Ltd. Campbell Properties & Hospitality Services Ltd.*	*SPFSL FFSPL FTL FCSL CP&HSL*

VOLKART FLEMING SHIPPING & SERVICES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 - Continued

29. Related party disclosures (contd.)

(b) Details of related party transactions during the period ended 31st March, 2021 and balances outstanding as at 31st March, 2021:

		Ultimate Holding Company	**Holding Company**		**Fellow Subsidiaries**					
		Shapoorji Pallonji and Company Private Limited	Forbes & Company Limited	**Parties in A above**	Shapoorji Pallonji Forbes Shipping Limited	Forbes Technosys Limited	Campbell Properties & Hospitality Services Ltd.	Forbes Campbell Services Ltd.	**Parties in B above**	**Total**
	Outstandings									
1	Trade Payables	-	32,998	**32,998**	-	-	-	-	**-**	**32,998**
2	Contractual reimbursement	-	-	**-**	-	-	7,934	-	**7,934**	**7,934**
3	Interest accrued but not due	-	-	**-**	-	8,88,992	-	-	**8,88,992**	**8,88,992**
4	Inter Corporate Deposit Receivable	-	-	**-**	-	1,53,00,000	-	-	**1,53,00,000**	**1,53,00,000**
5	Prov for Loan with RP - Doubtful	-	-	**-**	-	(1,53,00,000)	-	-	**(1,53,00,000)**	**(1,53,00,000)**
6	Prov for Interest on Loan with RP - Doubtful	-	-	**-**	-	(8,88,992)	-	-	**(8,88,992)**	**(8,88,992)**
	Nature of Transaction									
	Sales / Services									
7	Services Rendered	-	-	**-**	-	-	-	-	**-**	**-**
	Expenses									
8	Miscellaneous expenses	20,407	12	**20,419**	-	-	90,000	1,50,000	**2,40,000**	**2,60,419**
9	Impairment of Investment in Fellow Subsidiary	-	-	**-**	-	1,80,00,000	-	-	**1,80,00,000**	**1,80,00,000**
10	Prov for Loan with RP - Doubtful	-	-	**-**	-	1,53,00,000	-	-	**1,53,00,000**	**1,53,00,000**
11	Prov for Interest on Loan with RP - Doubtful	-	-	**-**	-	8,88,992	-	-	**8,88,992**	**8,88,992**
	Income									
12	Rent and Other Service Charges	-	-	**-**	20,00,448	-	-	-	**20,00,448**	**20,00,448**
13	Interest Income	-	-	**-**	4,28,185	9,61,070	-	-	**13,89,255**	**13,89,255**
14	**Other Reimbursements**	-	4,24,832	**4,24,832**	-	-	24,024	-	**24,024**	**4,48,856**
	Finance									
15	Loan Given (Inter Corporate Deposit)	-	-	**-**	-	1,53,00,000	-	-	**1,53,00,000**	**1,53,00,000**
16	Repayament of Loan Given (Inter Corporate Deposit)	-	-	**-**	96,00,000	-	-	-	**96,00,000**	**96,00,000**

Note :-

1 For details of investments in subsidiaries, associates and joint ventures refer note 6A

VOLKART FLEMING SHIPPING & SERVICES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 - Continued

29. Related party disclosures (contd.) ₹

(b) Details of related party transactions during the period ended 31st March, 2020 and balances outstanding as at 31st March, 2020:

		Ultimate Holding Company	Holding Company		Fellow Subsidiaries						
		Shapoorji Pallonji and Company Private Limited	*Forbes & Company Limited*	***Parties in A above***	*Shapoorji Pallonji Forbes Shipping Limited*	*Forbes Technosys Limited*	*Campbell Properties & Hospitality*	*Forbes Facility Services Limited*	*Forbes Campbell Services Ltd.*	***Parties in B above***	***Total***
	Outstandings										
1	*Trade Payables*	7,943	59,072	**67,015**	-	-	8,700	-	-	**8,700**	**75,715**
2	*Trade Receivables*	-	-	**-**	5,56,644	-	-	-	-	**5,56,644**	**5,56,644**
3	*Contractual reimbursement*	-	-	**-**	-	-	74,662	-	-	**74,662**	**74,662**
4	*Interest accrued but not due*	-	-	**-**	2,35,209	-	-	-	-	**2,35,209**	**2,35,209**
5	*Deposit Receivable*	-	-	**-**	96,00,000	-	-	-	-	**96,00,000**	**96,00,000**
	Nature of Transaction										
	Sales / Services										
6	*Services Rendered*	-	-	**-**	-	-	-	-	-	**-**	**-**
	Expenses										
7	*Miscellaneous expenses*	26,925	12	**26,937**	-	-	90,000	16,728	4,50,000	**5,56,728**	**5,83,665**
8	*Impairment of Investment in Fellow Subsidiary*	-	-	**-**	-	20,00,000	-	-	-	**20,00,000**	**20,00,000**
	Income										
9	*Rent and Other Service Charges*	-	-	**-**	18,26,496	-	-	-	-	**18,26,496**	**18,26,496**
10	*Interest Income*	-	-	**-**	7,05,983	-	-	-	-	**7,05,983**	**7,05,983**
11	***Other Reimbursements***	-	14,34,854	**14,34,854**	-	-	74,662	-	-	**74,662**	**15,09,516**
12	***Finance***										
	Loan Given	-	-	**-**	96,00,000	-	-	-	-	**96,00,000**	**96,00,000**

Note :-

1 *For details of investments in subsidiaries, associates and joint ventures refer note 5A*

29.1 Particulars of loan given / Investments made / guarantees given, as required by clause (4) of Section 186 of the Companies Act, 2013

Sr. No.	Name	During the Year		Closing Balance	Period	Rate of Interest	Purpose
		Given	Returned				
	Investment						
1	Forbes Technosys Limited **	-	-	-	**N.A**	**N.A**	General
		-	-	*1,80,00,000*	*N.A*	*N.A*	Corporate
	Loans (Inter Corporate Deposit) given						
2	Shapoorji Pallonji Forbes Shipping Limited	**-**	**96,00,000**	**-**	**N.A**	**N.A**	General
		96,00,000	-	*96,00,000*	**1 Year**	**11%**	Corporate
3	Forbes Technosys Limited **	**1,53,00,000**	-	**-**	**N.A**	**N.A**	General
		-	-	**-**	*N.A*	*N.A*	Corporate

****** Investments & Loans fully impaired

Figures in Italics are Previous Year's Figures

30. Leases

(a) Operating Lease: Company as lessor

(i) The company has given certain office / residential premises on operating lease basis, the details of which are as follows:

₹

Class of Asset	As at 31st Mar., 2021	*As at 31st Mar., 2020*
Gross carrying Amount	**3,113**	*3,113*
Accumulated Depreciation	**3,113**	*3,113*
Depreciation for the year	**-**	-

(b) Operating Lease: Company as lessee

Information in respect of leases for which right- of use of assets and corresponding lease liabilities have been recognised are as follows:

₹

Particulars	As at 31st Mar., 2021	As at 31st Mar., 2020
Additions to Rights-of-use of assets during the year (Commercial premises)	54,846	1,09,691
Deletion to Rights-of-use of assets during the year (Commercial premises)	-	-
Amortisation of right-of-use of assets during the year	54,846	54,845
Interest Expenses (unwinding of discount) on lease liabilities	2,543	7,767
Total Cash outflows in respect of leases (including short term leases)	60,000	60,000
Carrying amount right-of-use of assets at year end (commercial premises)	-	54,846

31. Micro, Small and Medium Enterprises

On the basis of responses received against enquiries made by the Company, there is an amount of Rs. 37,000/- outstanding in respect of Micro and Small Enterprises covered under the Micro, Small and Medium Enterprises Development Act, 2006 as at the Balance Sheet date. The Company has not defaulted in payment of dues to such entities during the year.

32. The Company has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of these financial statements including the recoverability of carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company has, at the date of approval of these financial statements, used internal and external sources of information and expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

33. Exceptional Item

During the year ended March 31, 2021, Forbes Technosys Limited (FTL) has incurred a loss and its accumulated losses has fully eroded its Net Worth. Also its current liabilities are in excess of its current assets. The present situation coupled with the impact of Covid-19 has resulted in a decline in the recoverable value of investment in FTL, consequent to which full value of investment & Loans (Inter Corporate Deposit) along with the accrued interest has been impaired.

34. Segment reporting

The Company is only engaged in Real Estate business and there are no reportable segments as per IND AS 108 'Operating Segments.

35. Previous year's figures have been regrouped wherever necessary.

As per our report of even date
For Batliboi & Purohit
Chartered Accountants
Firm Reg No.-101048W

Janak Mehta
Partner
Membership No.: 116976
Mumbai, 21st May, 2021

SHRIKRISHNA BHAVE ________________________ *Chairperson*

NIRMAL JAGAWAT ________________________

RAVINDER PREM ________________________

PANKAJ KHATTAR ________________________

Directors

Mumbai, 21st May, 2021