Shapoorji Pallonji

August 29, 2017

To,

Secretary,
BSE Limited,
P.J. Towers,
Dalal Street, Fort,
Mumbai – 400 001.

Sub: Submission of Annual Report for the financial year 2016-17.

Dear Sirs,

The Annual General Meeting of the Company was held on August 24, 2017 and the members of the Company has approved and adopted the financial statements (standalone & consolidated) for the financial year ended March 31, 2017.

Pursuant to Regulation 34(1) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, kindly find enclosed herewith 98th Annual Report of the Company for the financial year 2016-17.

Please acknowledge receipt.

Yours faithfully,

For Forbes & Company Limited

Pankaj Khattar
Head Legal & Company Secretary

Forbes & Company Limited. Forbes' Building, Charanjit Rai Marg,
Fort, Mumbai 400 001. Tel.: +91 22 61358900 Fax: +91 22 61358901
www.forbes.co.in
CIN No.: L17110MH1919PLC000628

FORBES

Shapoorji Pallonji

FORBES & COMPANY LIMITED

98th ANNUAL REPORT 2016-17

FORBES

Excellence since 1767

CLEAN ENVIRONMENT
24/7 SECURITY
Eureka Forbes
Delivering the promise of health, safety and happiness to millions of homes and offices in India and across the world based on Trust and Lasting Relationships with our Customers.
HEALTHY WATER
PURE AIR

FORBES

Board of Directors

Shapoor P. Mistry	Chairman
Mahesh Tahilyani	Managing Director
Kaiwan D. Kalyaniwalla	
D. Sivanandhan	
Jai L. Mavani	
Aslesha Gowariker	

Chief Financial Officer

Nirmal Jagawat

Head Legal & Company Secretary

Pankaj Khattar

Statutory Auditors

Deloitte Haskins & Sells LLP

Registered Office

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

Debenture Trustee

IDBI Trusteeship Services Limited
Asian Building, Ground Floor,
17, R. Kamani Marg, Ballard Estate,
Mumbai – 400 001.
Tel: + 91 22 4080 7000
Fax: + 91 22 6631 1776

Registrars & Share Transfer Agents

TSR Darashaw Limited
Unit: Forbes & Company Limited,
6-10, Haji Moosa Patrawala Industrial Estate,
20, Dr. E. Moses Road, Mahalaxmi,
Mumbai 400 011
Tel: +91 22 6656 8484
Fax: +91 22 6656 8494
Email:csg-unit@tsrdarashaw.com
Website : www.tsrdarashaw.com

Ninety Eighth Annual General Meeting of Forbes & Company Limited will be held on Thursday, August 24, 2017 at 4.00 p.m. at Indian Merchants' Chambers, Walchand Hirachand Hall, IMC Building, 4th Floor, IMC Marg, Churchgate, Mumbai 400 020.

The Annual Report can be accessed at www.forbes.co.in

To support 'green initiative', copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to kindly bring their copies to the meeting.

NINETY EIGHTH ANNUAL REPORT 2016-17

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NOTICE

NOTICE is hereby given that the Ninety Eighth Annual General Meeting of the members of Forbes & Company Limited will be held at Indian Merchants' Chambers, Walchand Hirachand Hall, IMC Building, 4th Floor, IMC Marg, Churchgate, Mumbai 400 020 on Thursday, August 24, 2017 at 4.00 p.m. to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt:

a) the Audited Financial Statements of the Company for the Financial Year ended March 31, 2017 together with the Report of the Board of Directors and the Auditors thereon; and

b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2017.

2. To declare dividend for the Financial Year ended March 31, 2017.

3. To appoint a Director in place of Mr. Shapoor P. Mistry (DIN: 00010114), who retires by rotation and being eligible, seeks re-appointment.

4. Appointment of Statutory Auditors

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

"Resolved that pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and The Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof) Price Waterhouse Chartered Accountants LLP, (ICAI Firm Registration No. (012754N/N500016) be and are hereby appointed Statutory Auditors of the Company (in place of the retiring Statutory Auditors Deloitte Haskins & Sells LLP) to hold office from the conclusion of the Ninety Eighth Annual General Meeting until the conclusion of the One Hundred Third Annual General Meeting (subject to ratification at every intervening Annual General Meeting, if so required under the Act), at such remuneration plus applicable taxes, out of pocket, travelling and other expenses as may be determined by the Board of Directors of the Company.

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

SPECIAL BUSINESS

5. Ratification of remuneration to Cost Auditor

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

"Resolved that pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 (Act) and The Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof), the remuneration of Rs. 4.35 lakhs plus out of pocket expenses payable to Kishore Bhatia & Associates (Firm Registration No. 00294), the Cost Auditor appointed by the Board of Directors of the Company, to conduct the audit of the cost accounts of the Company for the financial year ending March 31, 2018 be and is hereby ratified and confirmed.

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

By Order of the Board of Directors

Pankaj Khattar
Head Legal & Company Secretary

Mumbai, July 18, 2017

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

NOTES:

1. The Explanatory Statement pursuant to Section 102 (1) of the Act with respect to the special business set out in the Notice is annexed hereto. Additional information pursuant to Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI (LODR), 2015] in respect of Director seeking re-appointment at the meeting is annexed as Annexure to this Notice.

2. **A member entitled to attend and vote at the Annual General Meeting (AGM), is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a Member.** The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in aggregate not more that 10% of the total share capital of the company.

3. The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, August 18, 2017 to Thursday, August 24, 2017 (both days inclusive).

4. The dividend that may be declared at the Annual General Meeting will be paid within the prescribed time to those Members whose names stand on the Register of Members of the Company on August 17, 2017 and in respect of shares in electronic form the dividend will be paid to the beneficial owners of the shares at the end of business hours on August 17, 2017, as per the details provided by the Depositories for this purpose.

   Dividend in respect of shares in dematerialised form shall be credited to the owner's bank account directly through National Automated Clearing House (NACH), wherever, NACH facility is available subject to availability of bank accounts details with 9 digit MICR and 11 digit IFS code. In case the said details have not been provided to concerned Depository Participants or there is any change, the same may be please be intimated to the concerned Depository Participant immediately.

Shareholders holding shares in physical form and desirous of having NACH facility, should provide their bank details and 9 digit MICR and 11 digit IFS code number to the Registrar and Share Transfer Agents of the Company immediately.

5. Corporate members are requested to send to the Company a duly certified copy of the Board Resolution authorising their representative to attend and vote at the Annual General Meeting.

6. Members are requested to immediately notify the REGISTRARS AND SHARE TRANSFER AGENTS or the DEPOSITORY PARTICIPANTS (in case of shares which have been dematerialised) of any change in their address.

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

8. Members are requested to bring their Attendance Slip along with their copies of the Annual Report to the Meeting.

9. Pursuant to the provisions of Section 205A (5) and 205C of the Companies Act, 1956, the unpaid or unclaimed dividends, unclaimed matured deposits, unclaimed interest on deposits for a period of 7 years from the date they became due for payment, were required to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. Sections 124 and 125 of the Act, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 also contain similar provisions for transfer of such amounts to the IEPF. Accordingly, all unclaimed/unpaid dividend, application money, debenture interest and interest on deposits as well as the principal amount of debentures and deposits, as applicable, remaining unclaimed / unpaid for a period of seven years from the date they became due for payment have been transferred to the IEPF established by the Central Government. No claim shall be entertained against the Company for the amounts so transferred.

10. The Notice of the AGM along with the Annual Report for Financial Year 2016 -17 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company /Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. **To support the 'Green Initiative', the Members who have not registered their e-mail addressed are requested to register the same with RTA/Depositories.**

11. Members desiring any additional information/clarification on the Financial Statements are requested to send such requests at the earliest so as to enable the Management to keep the information ready at the AGM.

12. E-Voting

I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (LODR), 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

IV. The remote e-voting period commences on Monday, August 21, 2017 (9:00 am) and ends on Wednesday, August 23, 2017 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date of August 17, 2017, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

V. The process and manner for remote e-voting are as under:

A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :

(i) Open email and open PDF file viz; "Forbes & Company.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.

(ii) Launch internet browser by typing the following URL: https://www.evoting.nsdl.com/

(iii) Click on Shareholder - Login

(iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.

(v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.

(vii) Select "EVEN" of "Forbes & Company Limited".

(viii) Now you are ready for remote e-voting as Cast Vote page opens.

(ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

(x) Upon confirmation, the message "Vote cast successfully" will be displayed.

(xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

(xii) Institutional shareholders (i.e. other than individuals,

HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to scrutinisers@mmjc.in with a copy marked to evoting@nsdl.co.in

B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :

(i) Initial password is provided as below on the attendance slip.

EVEN (Remote e-voting Event Number)	USER ID	PASSWORD/ PIN

(ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.

VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.

VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of August 17, 2017.

X. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice and holds shares as of the cut-off date i.e. August 17, 2017, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or csg-unit@tsrdarashaw.com

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

XI. A member may participate in the AGM even after exercising his/her right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

XIII. Mr. Makarand M. Joshi, Partner, Makarand M. Joshi and Co., Practicing Company Secretaries has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

XIV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

XV. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

XVI. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed at the date of AGM i.e. August 24, 2017.

ANNEXURE TO NOTICE

Statement Pursuant to Section 102 (1) of the Companies Act, 2013

The following explanatory statement sets out material facts relating to the business for Item Nos. 4 & 5 of the accompanying Notice:

Item No. 4

This explanatory statement is provided, though strictly not required as per Section 102 of the Companies Act, 2013 ("Act").

As per the provisions of Section 139 of the Act, read with applicable Rules framed thereunder, Deloitte Haskins & Sells LLP, the present Statutory Auditors of the Company complete their term on conclusion of this Annual General Meeting and are not eligible for re-appointment as Statutory Auditors as per the Act.

In view of the above, Price Waterhouse Chartered Accountants LLP having Registration No. 012754N/N500016 are proposed to be appointed as Statutory Auditors of the Company in place of Deloitte Haskins & Sells LLP, the retiring Auditors, to hold office from the conclusion of the Ninety Eighth Annual General Meeting until the conclusion of the One Hundred Third Annual General Meeting (subject to ratification at every Annual General Meeting, if so required under the Act), at such remuneration plus applicable taxes, out of pocket, travelling and other expenses as may be determined by the Board of Directors of the Company.

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

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

Item No. 5

The Board, on the recommendation of the Audit Committee, has approved the appointment of Kishore Bhatia & Associates (Firm Registration No. 00294) as cost auditors of the Company at a remuneration of Rs. 4.35 lakhs plus out of pocket expenses for the financial year ending March 31, 2018.

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

Accordingly, consent of the Members is sought for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2018.

None of the Directors or Key Managerial Personnel of the Company and their relatives are concerned or interested in the Resolution at Item No. 5 of the Notice.

The Board recommends the passing of this Resolution at Item No. 5 of the accompanying Notice in the interest of the Company.

By Order of the Board of Directors

Pankaj Khattar
Head Legal & Company Secretary

Mumbai, July 18, 2017

Registered Office:
Forbes' Building, Charanjit Rai Marg, Fort,
Mumbai 400 001
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Email: investor.relations@forbes.co.in
CIN: L17110MH1919PLC000628
Website:www.forbes.co.in

Details of Directors whose re-appointment is proposed at the forthcoming Annual General Meeting
[Pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Name of Director	**Mr. Shapoor P. Mistry**
Director Identification Number (DIN)	00010114
Date of Birth	September 6, 1964
Date of first appointment on Board	September 3, 2001
Qualification	B.A. (England) Business & Economics
Relationships between directors inter-se	Not related to any Director of the Company.
Expertise in specific functional areas	Advising on strategy and growth of the company, formulation of business plans, new businesses, strategy and funds management and property development.
List of Directorship held in other Public Companies in India (excluding Private and Section 8 Companies)	• Afcons Infrastructure Limited • Eureka Forbes Limited • Forvol International Services Limited • Shapoorji Pallonji Power Company Limited
Chairmanship/ Membership of the Committees of Audit Committee and Stakeholders Relationship Committee of other Indian Public Companies	Nil
No. of shares held in the Company	Nil

By Order of the Board of Directors

Pankaj Khattar
Head Legal & Company Secretary

Mumbai, July 18, 2017

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Forbes' Building,
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BOARD'S REPORT

Dear Members,

The Board of Directors hereby submit the report of the business and operations of the Company along with the Audited Financial Statements of the Company for the Financial Year (FY) ended March 31, 2017. The consolidated performance of the Company and its subsidiaries has been referred to wherever required.

Financial Results and Highlights of Performance

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

Rs. in Millions

Particulars	**Standalone**		**Consolidated**	
	FY 16-17	*FY 15-16*	**FY 16-17**	*FY 15-16*
Revenue and Other Income (Total Income) from Continuing Operations	**2971.78**	*2090.56*	**30768.06**	*32929.19*
Earnings before Finance Cost, Depreciation, Exceptional Item & Tax	**517.62**	*190.31*	**1580.62**	*1932.35*
Profit / (Loss) after Finance, Depreciation and before Exceptional Items & Tax	**334.35**	*(50.27)*	**129.37**	*114.84*
Exceptional Items - Income/(Expense)	**112.04**	*155.28*	**822.07**	*(209.03)*
Profit before Tax (PBT) from Continuing Operations	**446.39**	*105.01*	**951.44**	*(94.19)*
Profit after Tax (PAT) from Continuing Operations	**496.58**	*105.01*	**712.22**	*(492.65)*
Profit before Tax (PBT) from Discontinuing Operations	**482.58**	*(73.47)*	**-**	-
Profit after Tax (PAT) from Discontinuing Operations	**469.53**	*(73.47)*	**-**	-
Share of Net Profit of joint ventures	**-**	-	**186.48**	*12.77*
Profit/(loss) for the year	**966.11**	*31.54*	**898.70**	*(479.88)*
Other Comprehensive Income/(Loss)	**(4.37)**	*3.75*	**100.08**	*26.01*
Total Comprehensive Income	**961.74**	*35.29*	**998.78**	*(453.88)*
Earnings Per Share - Basic and Diluted (₹)	**74.90**	*2.44*	**70.58**	*(37.69)*

Note: The above figures are extracted from Standalone and Consolidated Financial Statements as per IND AS. For the purpose of transitioning to IND AS, the Company has followed guidance prescribed in IND AS 101, First Time Adoption of Indian Accounting Standards, with effect from April 1, 2015, as the transition date.

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

Outlook

The Indian economy ended the fiscal year 2016–17 with a moderate growth. The current financial year was a rather eventful year. Against the backdrop of robust macro-economic stability, the year was marked by two major domestic policy developments, the passage of the Constitutional Amendment, paving the way for implementing the transformational Goods and Services Tax (GST), and the action to demonetise the two highest denomination currency notes.

The GST will create a common Indian market, improve tax compliance and governance, and boost investment and growth; it is also a bold new experiment in the governance of India's cooperative federalism. Demonetisation has had short-term costs but holds the potential for long term benefits. Prompt actions allow growth to return to trend in 2017-18, following a temporary blip in activity in second half of FY 2016-17. This in the long run is expected to result in significant benefits in the form of transition towards a cashless economy, expansion of digital financial systems and extension of the tax net.

Looking further ahead, societal shift in ideas and narratives will be needed to overcome three long-standing meta-challenges: inefficient redistribution, ambivalence about the private sector and property rights, and improving but still-challenged state capacity. In the aftermath of demonetisation, and at a time of gathering gloom about globalisation, articulating and embracing those ideational shifts will be critical to ensuring that India's sweet spot is enduring not evanescent.

Coming back to Indian economy, this was a year of moderate growth with a decline in the industrial sector growth, even as the agrarian and rural sector benefited from a good monsoon after two successive failed monsoons. Industrial activity picked up pace in January'2017 with industrial production registering growth on account of improvement in the manufacturing and capital goods sector output.

The FY 2017-18 is expected to be a good year for the Indian economy. The benefits of the important reforms to be implemented during FY 2017-18 will be seen during the year. The Union Budget for FY 2017-18 provides for development in infrastructure, housing, rural sector and a boost to the overall investment climate. The performance of the global economy is also expected to improve with the International Monetory Fund forecasting a rise in global GDP growth from 3.1 % in 2016 to 3.4% in 2017 and 3.6% in 2018.

Business Review

Precision Tools Group (PTG)

Flagship brand of Precision Tools Group is Totem which is being re-positioned as a High Quality Performance Tool Manufacturer to compete against multi-nationals in India and overseas markets. High Performance Tool revenue streams have shown decent growth. We have done relevant significant investment in strengthening, Innovation, Design & Development and Quality assurance function by high end software and latest equipment.

Inspite of challenging market scenarios in automotive sector which is a major market segment for PTG and de-monetization, PTG managed a profitable top-line growth of 6%.

PTG continued efforts to introduce new products to the market in Carbide Raw Material, Expansion of High Performance Taps product portfolio, introduction of Solid Carbide Long Series Drills and expansion of HSS drill range.

New dealers introduction, a strong initiative taken in FY 2016-17, has been made across the country and continues to be an ongoing process to expand reach and growth in the business. This is an investment in the channel and will yield good results in the current year. Efforts to improve revenue share from export market has shown Year on Year (YoY) growth of 23%. Middle East, South East Asia, Europe and Latin America have been focus markets.

Introduction of New Technologies in the field of Heat Treatment, Geometric measurements and Edge preparation in manufacturing has led to product quality enhancement to compete against best in class.

Substantial investments were made in Waluj Facility and we hope to continue the investment trend in this business in the current financial year, thereby ensuring that we consolidate our operations and hope to achieve better synergies and efficiencies in all the activities in Waluj in the time to come.

Innovation, Speed of Change, Product Development along with People Skill Enhancement, Training & Development are the main focus for business requirement which has been implemented on an on-going basis.

Coding Business Group (CBG)

Though low in volume presently, CBG has shown 46% YoY growth with significant growth in profit margins. FY 2016-17 was the year of consolidation for automation business.

CBG introduced integrated marking solutions with software, coding & decoding, scanning/ Vision systems. During this year, we were able to provide automation system as an Import substitute to one of the leading two-wheeler manufacturer and achieved success by exporting a fully integrated system to Egypt, which was also a first for us.

CBG started assembly of laser optics in Waluj Factory with its own system controls. Industry 4.0 solution was implemented for automotive industry which is going to be one of the future revenue stream.

CBG has executed Automation projects and going forward will be a major revenue source. CBG has built capabilities in industry 3.0 and 4.0 solutions. Currently Coding business has capabilities of marking and traceability, material handling, RFID, Lasers for Metal & Non-metal and Integrated solutions.

The division continued with its 'Adapt, Change, Excel (ACE) program- to be nimble and swift in business execution from product selling company to solution provider. Employee engagement program for nurturing talent and succession planning is also being put in place.

Project Vicinia, Chandivali

As per the terms of out-of-court settlement of the dispute set out in consent terms filed with Hon'ble Bombay High Court relating to development of plot of land at Chandivali, the Company and Videocon Realty and Infrastructure Limited (Videocon), each, are entitled to 50% of the saleable area of Project. Videocon has been allocated 50% of the rights in the permissible Floor Space Index (FSI) of the specified land to be developed by Company, as two independent projects of Company and Videocon concurrently with a specific flatwise allocation of built up area of apartments. The Company has received bookings for 102 flats for its share. The Project is expected to be fully executed and sold by June' 2021.

Investment in Subsidiaries/Joint Ventures

During FY 2016-17, Lux Professional GmbH, Lux Osterreich Professional GmbH, Lux Aqua Paraguay SA, Lux Aqua Czech s.r.o, Lux Waterline GmbH and Brightclean (Spain) S.L were incorporated / have become wholly owned subsidiaries of Lux Professional International GmbH.

Subsidiaries/ Associates /Joint Ventures

During FY 2016-17 the following companies have become or ceased to be subsidiaries, joint ventures or associates.

Name of Company	Nature of Relationship
Lux Waterline GmbH	A wholly owned subsidiary of Lux Professional International GmbH (a step down subsidiary of Eureka Forbes Limited) with effect from April 29, 2016
Lux Aqua Czech s.r.o	Incorporated as a wholly owned subsidiary of Lux Professional International GmbH (a step down subsidiary of Eureka Forbes Limited) with effect from May 6, 2016
Brightyclean (Spain) S.L	A wholly owned subsidiary of Lux Professional International GmbH (a step down subsidiary of Eureka Forbes Limited) with effect from August 10, 2016
Forbes Container Line Pte Ltd., Singapore	Under Creditors Winding up since May' 2016.
Forbes Bumi Armada Offshore Limited	Ceased to be a subsidiary company with effect from October 12, 2016
Lux Aqua Paraguay SA	A wholly owned subsidiary of Lux Professional International GmbH (a step down subsidiary of Eureka Forbes Limited) with effect from December 1, 2016
Lux Osterreich Professional GmbH	A wholly owned subsidiary of Lux Professional International GmbH (a step down subsidiary of Eureka Forbes Limited) with effect from December 15, 2016

Name of Company	Nature of Relationship
Lux Professional GmbH	Incorporated as a wholly owned subsidiary of Lux Professional International GmbH (a step down subsidiary of Eureka Forbes Limited) with effect from December 22, 2016
Forbes Edumetry Limited	Under Voluntary Winding up

Details of subsidiaries, associate companies and joint venture companies are set out in the statement in Form AOC-1, pursuant to Section 129 of the Companies Act, 2013 ("Act") and, is attached, herewith, as Annexure "I". Financial Statements of these subsidiaries are available for inspection at the registered office of the Company and that of the subsidiary company concerned and the same would be also available on the website of the Company, www.forbes.co.in

Eureka Forbes Limited & its Subsidiaries (Collectively 'EFL Group')

"I can't change the direction of the wind, but I can adjust my sails to always reach my destination", said Jimmy Dean and this is characteristic of EFL Group.

A year that held 'change' as the mantra for the corporates and the nation at large, a year which experienced digitisation of businesses and a way to connect with consumers driven by none other than the Government of India, 'demonetization' was the word that swayed the fortunes of corporations and the sentiments of the consuming class. While the year saw the changing political landscape in India, the approach to development, the new growth opportunities thanks to SMART Cities, Digital India and our role as a nation in the emerging world order led to our turn to transform.

EFL has its presence across the country in various products/segments such as water purifiers, vacuum cleaners, air purifiers and home security solutions with the brands such as Aquaguard, AquaSure, EuroClean, Aeroguard and EuroVigil. EFL has its presence in European, ASEAN and UAE countries under the brand Lux.

The complexion of the business within EFL is changing and moving towards the retail sale and digital through the web from a direct selling business. This evolution from Direct Sales to Retail Sale and Sale on a digital platform over the last few years has been brought with successfully and by retaining or even improving our own addressable market share. In the last three-four years competition in the water purifier space has increased and a number of players of international repute have entered the market. EFL has taken an aggressive target of regaining and retaining the market share of electric water purifiers. This entails a significant investment in the market in the form of advertisement and sales promotion which resulted in regaining a 12% market share in the financial year 2015-16 taking EFL market share to 67% and retaining the same in the financial year 2016-17.

During the year, EFL had set key priorities in terms of (a) Project Everest: Leading the water purification market to dominate with 67% share, (b) Enhance focus on Air, Cleaning & Security to build a 2nd category, (c) Build digital capability for a greater connect with employees and customers, (d) Measure & Build Customer loyalty and leverage the brand value of EFL and brands and (e) Diversity of people and businesses to build a future proof EFL. And in each one of them, as a team dedicated to building a 'tandarust' – healthy organisation, EFL rose to the occasion.

While the demonetisation, though a highly well-intentioned move for the medium to long run, created an impact in the market with the last 4 month offtake reducing by 20-30% vis-à-vis the corresponding year for EFL as well as competing brands, however, EFL was able to retain the 67% (value) share of the domestic electric water purification market in-spite of the drop in sales. The year also witnessed the business composition change where the Retail Channel (Consumer Division) and Partner Channels (Franchise Direct Operators & Franchise Business Partners in Direct Sales) grew while the one time core business of Customer Response Centre (CRC business of Direct Sales) de-grew marginally vis-à-vis last year, this was mainly due to unbudgeted increase in wage bill.

On the second priority, the first 'Made in India for the world' Air Purifier Aeroguard 4S was launched. The category grew to over 42% of the domestic market and EFL plans focusing on this growing segment in the years ahead. In cleaning the indomitable 79% share of the market remained untouched with a refreshed product portfolio.

The focus on digitisation resulted in fruits with over 350,000 validated leads and Rs.1000 Millions turnover from digital platform resulted in a quantum growth over previous year. Unlike the e-com wave of discounts EFL held the price and strategic partnership with 'Google' helped EFL dominate in the space with over 70% Share of Voice in the categories EFL has been present in. Additionally mobility both in Sales & Service began to show early benefits.

The Employee diversity ratio moved from 7% to 12% with Direct Sales leading the way with 16% Lady Eurochamps. EFL was also able to improve the retention in performers by 10% over the previous year.

One of the significant achievements by the EFL team was the improvement in the NPS (Net Promoter Score) – measured across 5 touchpoints in the relationship of a customer with EFL. Across all the five touch points the team registered more than 25% improvement over the previous financial year with post sales service team topping the charts in both mandatory service as well as complaint management.

Consolidation of manufacturing facilities has improved productivity at factories.

The social initiative of Eureka Forbes, Jal Daan resulted in an unprecedented 32,00,000 pledges and massive interactions on the Social Media thereby over 22 plants benefiting over 20,00,000 individuals who otherwise lacked access to safe drinking water. The result, one amongst, 6 Honourees' in the World and the 1st Indian, Mr. Suresh L. Goklaney of Eureka Forbes was honoured with the 'Rotary Responsible Business Award 2016' by Rotary International on Rotary Day at the United Nations (UN), November 12, 2016.

The institutional business, Forbes Pro, to transition from products to services with integration of sales and service. Key Account Management System and a digital push would enable growth in this business.

On the international front, opening of business to business segment, new channels i.e. Retail, e-tail and party plans together with opening of 10 new markets, re-organisation of operations, cost-optimisation drive, elimination of non value adding services, focus on core business and a new category of mattresses had been the thrust during year gone by.

A positive growth of 4% over the previous year and retaining the profitability therefore in a tormentors year was a respectable performance by EFL. EFL plans to introduce newer technologies that would give an edge for EFL in the market place to improve the business.

Forbes Technosys Limited (FTL)

During the year under review FTL continued its growth across multiple sectors and dimensions, albeit with pressures on revenue growth.

The FY 2016-17 was a year of consolidation for FTL across its business verticals and product range in a challenging business environment. The FY 2015-16 and the current Financial Year proved to be a difficult one for the ATM, Cash deposit and Recycler, Sorter and Coin Vending business segment as Banks had put on hold procurement plans due to the withdrawal of subsidies by RBI in the first half of FY 2016-17. The subsidy which was introduced in the previous year incentivized and partially reimbursed banks for purchasing and deploying these machines. This withdrawal negatively impacted the sale volumes of these products and thereby profitability of the company.

The second half of FY 2016-17 was impacted by the Demonetization drive of the Government. FTL's major customer being Banks, this impacted the sale of all banking equipment and given the predominance of banking in FTL's business portfolio, this caused a sharp impact on sales during the second half of the year as FTL's key customers were focused on addressing the public needs arising out of Demoetization. Demonetization, a well-intentioned move for the medium to long run as the Government is trying to move directly to pure digital channels by reducing cash, though cash usage cannot be fully eliminated, this itself has created different set of opportunities which are being evaluated. Consequently, as cash is gradually returning into the ecosystem, there is also a realization that intermediate cash deposit mechanisms will continue to play an important part in the near future along with other opportunities being identified. In the long term, FTL's business is well poised to capitalize on this opportunity.

Sales of Forbes Xpress offerings were also adversely affected due to non/limited availability of cash during the months from November' 2016 to March' 2017. The entry of a major telecom player, who offered free services from October' 2016 to March' 2017, impacted other Telecom players whose prepaid pack business was impacted and therefore FTL's business was impacted with them.

All the above factors not only impacted FTL's performance but also of its competitors in the same industry, in addition to causing a sudden reduction in overall demand.

Therefore, FTL had to shift focus on generating margins from Services, as other revenue streams were impacted. Services showed over 100% increase in revenues over the previous year and helped improve profitability.

FTL also had an impressive foray into the Insurance sector, with the introduction of self-service solutions for the same. New services via Forbes Xpress are also being planned for insurance and micro-loans.

FTL's "Bill Payments business" case study has been ranked amongst the top 10 cases in the "ISB-Ivey Global Case Competition 2016" (http://www.isb.edu/isb-ivey-global-case-competition-2016). This case study was related to the transformation of FTL's Bill Payments business from a Capex/Opex intensive business model to a highly scalable Low Capex/Low Opex model. This case study competition is conducted jointly by Indian School of Business (ISB) and Ivey Business School, Western University, Ontario, Canada. The competition's objective is to identify and publish the best India-centric business cases from around the world. The response to this year's ISB-Ivey Global Case Competition was overwhelming with intents to participate coming in from across the globe. Besides most major business schools in India, participants from institutions in Malaysia, Botswana, the United Arab Emirates, Canada, the Netherlands, and the United States also evinced interest in the competition.

FTL was awarded the Solution of the year 2016 by Posiflex, a global leader in POS solutions, for Airport Retailing Solution which comprised of E-POS Solution at Duty Free Shops of 15 International Airports in India.

FTL continues to make investments in new services such as Domestic Money Transfer, infrastructure creation, expansion of office and service network, new product development and exports. These investments will help us in addressing emerging opportunities in domestic and international markets in the near future.

The year saw continued growth of the Domestic Money Transfer Business of Forbes Xpress, which operates through a network of franchisees who also provide other services like Recharge, Bill Payments and Ticketing.

Future plans and strategy includes the creation of new products and solutions for long term profitable growth such as:

- Account opening/eKYC kiosks: For Banking, Telecom and Insurance segments;
- 7/12 ATM: Installed at collectorate offices, this kiosk provides information pertaining to land ownership records to citizens for a nominal fee. This enables transparent and instant access to land record information to all citizens. This kiosk is the first of its kind in the world;
- SIM & Card Dispensing kiosks;
- Internet of Things: Remote Management Solutions for non-kiosk devices and equipment; and
- Integration with Bharat Bill Payment System, being piloted by National Payments Corporation of India.

In the long term FTL will benefit from Government programs such as digitalization of payment systems, Digital India and Make in India, Smart Cities etc. which are expected to create demand for industry and for the company's specialized products and services.

FTL also undertakes periodic review of the existing business models in the context of current business/market/regulatory/technology environments and make necessary course corrections to adapt to the changing environment as required.

Shapoorji Pallonji Forbes Shipping Limited (SPFSL, formerly SCI Forbes Limited)

With a fleet of four ships and a total capacity of 52000 DWT, SPFSL is one of the largest chemical tanker owners in India. SPFSL is committed to the safe and efficient transport of chemical cargoes for all its customers and partners. All the four vessels maintain qualification of atleast five Oil Majors including Shell, Exxon, Chevron, BP and Total for carrying their products. The ship operations are handled through a pool.

Earnings in FY 2016-17 were affected adversely due to increase in supply of ships and increase in fuel prices. A total of 190 new build ships joined the chemical tanker fleet in the year 2016. The increase in fuel oil prices resulted in reduction in the net voyage earnings.

The average earnings per day per ship were down to USD 9,992 as compared to USD 10,493 per day per ship during previous year. The average down time for the year has been 1.75 days per ship.

Seaborne chemicals trade grew by about 4% YoY in 2016 but the freight rates remained subdued due to increase in supply. As per an estimate, about 190 new building ships joined the chemical tanker fleet in 2016.

The effect of Brexit was clearly visible by slowdown in Europe. After a lacklustre 2016, the global economic activity is set to pick up from mid 2018. Advanced economies are projected to make small steps while growth in emerging market and developing economies continue to drive the global growth projections.

The widely-expected continuation of the low energy price environment in the short-term is expected to support healthy expansion in seaborne chemical trade, although subdued economic growth in some regions could hold back the pace of demand growth. Nevertheless, growth in chemicals tonne-mile trade is expected to outpace expansion in supply this year, partly driven by firm growth in long-haul US-Far East trade, particularly in methanol. Middle Eastern petrochemical capacity is also expected to increase, which should support exports from the region in coming years. However, growing Middle Eastern demand may limit the extent of this expansion to some extent. Meanwhile, rising chemical demand in Asia is expected to be a key driver of global demand growth going forward

Forbes Bumi Armada Limited (FBAL)

FBAL has successfully established their manning services in India. FBAL is currently providing specialised manning services to FPSO's located in Mumbai High.

Restructuring of Portfolio

In sync with the long term strategy of the Company to exit those businesses which were not a strategic fit with the long term vision of Company and in a manner that optimizes value, the Company has during the FY 2016-17, exited its Container Freight Stations and Logistics businesses and received a consideration of Rs. 963 millions.

The Company also sold its entire shareholding (50.001%) in Forbes Bumi Armada Offshore Limited, a joint venture with Bumi Armada Berhad to Shapoorji Pallonji Oil and Gas Private Limited at a consideration of Rs. 125 millions.

Assets of The Svadeshi Mills Company Limited (Svadeshi)

The Assets of Svadeshi continue to be in the hands of the Official Liquidator, High Court, Bombay. The Company had filed a Review Petition against the dismissal of Special Leave Petition before the Hon'ble Supreme Court (SC) which has been dismissed. The Company is exploring options available.

Dividend & Transfer to Reserves

Your Directors are pleased to recommend for the approval of the Members a dividend of Rs. 2.50 per equity shares *(previous year: Nil)*. The dividend, if approved by the Members would involve a cash outflow of Rs. 38.8 millions including dividend tax. In accordance with SEBI (Listing Obligations and Disclosure Regulations), 2015, the Board of Directors of the Company has adopted a Dividend Distribution Policy, which is annexed as Annexure "II". The policy is also available on the website of the Company, www.forbes.co.in

The Company proposes to retain the entire balance amount of Rs. 417.3 millions *(Previous Year Rs. (544.5) millions)* in the Profit & Loss Account.

Share Capital

The paid up Equity Share Capital of the Company as on March 31, 2017 was Rs.128.99 millions. During the year under review, the Company has not issued any shares with differential voting rights or 'sweat equity shares' and has not granted any stock options. As on March 31, 2017 none of the Directors of the Company hold shares or convertible instruments of the Company.

Finance

The Company continues to focus on judicious management of its working capital. Relentless focus on receivables, inventories, strict cost control and, use of alternative borrowing instruments has helped in keeping the borrowings and effective interest cost under control.

- **Redeemable Non-convertible Debentures**

  The Non- Convertible Redeemable Debentures (NCDs) aggregating to Rs.1000 millions were outstanding during the year ended March 31, 2017.

- **Deposits**

  The Company has not accepted deposits from public falling within the ambit of Section 73 of the Act and The Companies (Acceptance of Deposits) Rules, 2014. Unclaimed matured deposits were transferred to Investor Education and Protection Fund as per the provisions of the Companies Act, 1956 / 2013.

Particulars of loans, guarantees and investments

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

Related Party Transactions

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

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

Form AOC-2 is annexed as Annexure 'III' to this report, pursuant to Section 188 of the Act. The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website.

Vigil Mechanism/Whistle Blower Policy

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

Internal Controls and Systems

The Company has an internal control system, which ensures that all transactions are recorded satisfactorily and reported and that all assets are protected against loss from unauthorized use or otherwise. The internal control systems are supplemented by an internal audit system carried out by a team under the direct supervision of the Head of Internal Audit. The findings of such internal audits are periodically reviewed by the management and suitable actions taken to address the gaps, if any. The Audit Committee of the Board meets at regular intervals and addresses

significant issues raised by both the Internal Auditors and the Statutory Auditors. The process of internal control and systems, statutory compliance, information technology, risk analysis and risk management are inter-woven to provide a meaningful support to the management of the business.

Deloitte Haskins & Sells LLP, the statutory auditors of the Company has audited the financial statements included in this annual report and has issued a report on our internal financial controls over financial reporting as defined in Section 143 of the Act.

Statutory Compliances

The Company ensures compliance of applicable laws. The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules thereunder for prevention and redressal of complaints of sexual harassment at workplace. During FY 2016-17, no complaints on sexual harassment were received.

Corporate Governance and Management Discussion and Analysis

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

Corporate Social Responsibility (CSR)

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

The provisions of the Act relating to Corporate Social Responsibility were not applicable to the Company for the FY 2016-17. The Board of Directors of the Company has, however, voluntarily constituted a Corporate Social Responsibility Committee in compliance with Section 135 of the Act.

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

Risk Management

Risk management process includes identification of risk, its underlying dynamics, mitigation mechanism, prioritization of risk, measurement of key indicators and establishing a monitoring system. A Company-wide awareness of risk management policies and practices are being inculcated to minimize the adverse effect of risks on the operating results and the subject of management of risks is being approached in a planned and co-ordinated manner. Elucidation of role clarity, understanding of level of authority and reporting system is expected to help this process significantly. It is realized that this is a continuous process, requiring continued updating, based on changing business conditions and that risk management and performance improvement will go hand in hand.

Significant and Material Orders Passed By the Regulators or Courts

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

Directors and Key Managerial Personnel

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

Mr. Ashok Barat ceased to be director and Managing Director of the Company with effect from April 27, 2016. Ms. Ameeta Chatterjee, Mr. T. R. Doongaji, and Mr. Kannan Dasaratharaman, Independent Directors of the Company resigned due to other personal and professional commitments with effect from April 1, 2016, May 4, 2016 and May 6, 2016 respectively. Ms. Sunetra Ganesan resigned as Chief Financial Officer of the Company with effect from April 30, 2016.

The Board of Directors place on record their sincere appreciation for the valuable services rendered by Ms. Ameeta Chatterjee, Mr. T. R. Doongaji, Mr. Kannan Dasaratharaman and Mr. Ashok Barat to the Board and to the Company and Ms. Sunetra Ganesan as Chief Financial Officer of the Company.

Ms. Aslesha Gowariker was appointed as an Additional Director of the Company w.e.f. June 30, 2016. She was appointed as an Independent Director of the Company for a term of 5 (five) consecutive years with effect from June 30, 2016 by the shareholders of the Company at the AGM held on August 24, 2016.

Mr. Mahesh Tahilyani was appointed as Managing Director of the Company with effect from April 28, 2016. Mr. Nirmal Jagawat was appointed Chief Financial Officer of the Company with effect from September 30, 2016.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of Independence as prescribed both under the Act and SEBI (LODR), 2015 and there has been no change in the circumstances which may affect their status as Independent Directors during the year.

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

Audit Committee of the Board of Directors

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

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR), 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually, as well as, the evaluation of the working of its Audit, Nomination and Remuneration, Stakeholders' Relationship Committees.

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

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

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

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

Remuneration Policy

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

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

Meetings of the Board

The Board met at least once in each quarter and 10 meetings of the Board were held during the year and the maximum time gap between two Board meetings did not exceed the time limit prescribed in the Act. The details have been provided in the Corporate Governance Report.

Directors' Responsibility Statement

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

(i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;

(iii) they have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of this Act, for safeguarding the assets of the Company and detecting fraud and other irregularities;

(iv) they have prepared the annual accounts on a going concern basis;

(v) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

(vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Auditors and Audit Report

Statutory Auditors

The existing statutory auditors, Deloitte Haskins & Sells LLP (DHS) will retire upon the conclusion of the forthcoming Annual General Meeting of the Company, in compliance with the provisions relating to mandatory rotation of Auditors under the Companies Act, 2013.

The Audit Report of the retiring auditors, Deloitte Haskins & Sells LLP forms part of the Annual Report. The Auditors have referred to certain matters in their report on Consolidated Financial Statements to the shareholders, which read with relevant note Nos. 57,53 and 40(C)(c) in the notes forming part of the accounts, is self - explanatory.

Cost Auditors

As per the requirements of Section 148 of the Act read with The Companies (Cost Records and Audit) Rules, 2014, the cost accounts of the Engineering Division and Project Vicinia of the Company are required to be audited by a Cost Accountant. The Board of Directors of the Company have, on the recommendation of the Audit Committee, appointed Kishore Bhatia & Associates, Cost Accountants, as Cost Auditors for the FY 2017 – 2018 on a remuneration of Rs. 0.44 million plus out of pocket expenses. As required under the Companies Act, 2013, necessary resolution seeking members' ratification for the remuneration to the Cost Auditor is included in the Notice convening the Ninety Eighth Annual General Meeting of the Company.

Secretarial Audit

Pursuant to the provisions of Section 204 of the Act and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Makarand M. Joshi & Co, a firm of Company Secretaries in Practice, to undertake the Secretarial Audit of the Company. The Report of the Secretarial Auditor is annexed herewith as Annexure 'VI'.

Human Resources Development and Industrial Relations

The year saw a major rationalization of manpower on account of divestment of Logistics & Shipping and Container Freight Station Businesses. The same was handled professionally and compassionately with reasonable compensation through Voluntary Retirement Scheme and/or ex-gratia payments. Post divestment, consolidation of various functions was undertaken for a leaner and an effective organisation. On the Human Resource Front, we continue with the implementation of Performance Management System, capturing Key Result Areas and Key Performance Indicators for linking reward to performance and variable pay.

HR function continues to partner the business for talent infusion, learning and development, leadership development and talent management. A

major intervention/training pertaining to 'Value Selling' was done for all sales and marketing personnel of Engineering business. The training and development interventions for the identified 'Talent Pool' of executives continued in collaboration with CII (Confederation of Indian Industries).Employee engagement and moral was kept high through various cultural and other events including participation in social causes such as Daan Utsav/Joy of Giving week which the Company has been doing for the last few years. Industrial Relations, by and large, with the unit unions continued to be cordial.

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

(a) The information required pursuant to Section 197 of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the Report and Accounts are being sent to the Members, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during the business hours on working days of the Company. Any member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

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

Extract of Annual Return

The details forming part of the extract of the Annual Return in Form MGT-9 is annexed herewith as Annexure 'VIII' and forms part of this Report.

Business Responsibility Report

A separate section on Business Responsibility Report forms part of this Annual Report as required under Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

Cautionary Statement

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

Acknowledgements

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

For and on behalf of the Board of Directors

Shapoor P. Mistry
Chairman

Mumbai, May 25, 2017

Annexure 'I'

FORM AOC-I

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

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

PART "A" SUBSIDIARIES

₹ In Lakhs

Sr. No.	Name of Subsidiary	Aquadiagnostic Water Research & Technology Centre Limited	Aquamall Water Solutions Limited	Brightyclean (Spain)S.L.			Campbell Properties & Hospitality Services Limited	Eureka Forbes Limited	EFL Mauritius Limited			Euro Forbes Financial Services Limited	Euro Forbes Limited			Forbes Bumi Armada Limited	Forbes Campbell Services Limited	Forbes Enviro Solutions Limited	Forbes Facility Services Private Limited	Forbes Lux FZCO		
	Reporting Period of Subsidiary concerned, if different from the holding company's reporting period	31-03-2017	31-03-2017	31-12-2016			31-03-2017	31-03-2017	31-03-2017			31-03-2017	31-12-2016			31-03-2017	31-03-2017	31-03-2017	31-03-2017	31-12-2016		
	Reporting Currency and exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries			EUR	Rate	₹ In Lakhs			EUR	Rate	₹ In Lakhs		in USD $	Rate	₹ In Lakhs					in USD $	Rate	₹ In Lakhs
										AVG				AVG							AVG	
(a)	Share Capital	300.00	▼ 400.02	◆0.04	71.30	◆ 2.50	48.75	372.80	▼287.20	73.93	▼21,234.26	▼ 5.00	▼113.33	64.13	▼7,267.78	♦ 550.00	♦ 5.00	▼ 282.73	▼100.00	▼ 139.64	63.37	▼ 8,849.06
(b)	Reserves & Surplus	★(161.01)	38,613.63	★(0.13)	71.30	★(9.01)	132.46	24,602.94	27.64	163.84	4,528.61	★(2.26)	★(49.79)	59.44	*(2,959.55)	391.98	7.28	★ (19.88)	224.12	★ (98.85)	61.37	*(6,065.97)
(c)	Total Assets	147.14	69,100.64	0.16	71.30	11.31	181.94	1,13,740.85	319.21	81.65	26,064.68	3.41	397.70	67.81	26,966.96	1,982.67	15.34	1,825.15	4,393.58	307.67	67.86	20,879.72
(d)	Total Liabilities	8.15	30,087.00	0.25	71.30	17.83	0.72	88,765.11	4.37	69.14	301.81	0.67	334.16	67.81	22,658.74	1,040.69	3.06	1,562.31	4,069.46	266.88	67.81	18,096.63
(e)	Investments	-	23,542.73	-	-	-	-	30,074.90	317.14	81.74	25,921.87	-	141.32	67.81	9,582.57	-	-	1.76	-	-	-	-
(f)	Turnover	145.72	69,993.14	-	-	-	12.66	1,83,347.05	-	-	-	-	-	-	-	5,434.10	51.60	3,374.99	13,586.86	38.18	67.00	2,558.19
(g)	Profit before Taxation	6.02	6,384.09	(0.02)	73.99	(1.41)	4.17	1,161.72	(0.11)	72.51	(7.74)	(0.18)	(5.42)	67.00	(362.91)	152.78	5.37	79.78	264.80	(31.50)	66.89	(2,106.69)
(h)	Provision for Taxation	-	1,728.65	-	-	-	0.52	395.56	-	-	-	-	-	-	-	54.39	1.61	5.56	99.95	-	-	-
(i)	Profit after Taxation	6.02	4,655.44	(0.02)	73.99	(1.41)	3.65	766.16	(0.11)	72.51	(7.74)	(0.18)	(5.42)	67.00	(362.91)	98.39	3.76	74.22	164.85	(31.50)	66.89	(2,106.69)
(j)	Proposed Dividend	-					-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(k)	% of Shareholding	100	100	100			100	100	100			100	100			51.00	98.00	100.00	100.00	99.42		

Annexure 'I'

FORM AOC-I

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

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

PART "A" SUBSIDIARIES

₹ In Lakhs

Sr. No.	Name of Subsidiary	Forbes International AG earlier known as Forbes Lux Group AG			Forbes Lux International AG			Forbes Technosys Limited	Forbes Campbell Finance Limited	Lux Professional International GmbH earlier known as Lux Auqa international GmbH,			Lux Professional GmbH			Lux Osterreich Professional GmbH			Lux Aqua Hungary KFT			Lux Aqua Czech s.r.o.		
	Reporting Period of Subsidiary concerned, if different from the holding company's reporting period	31-12-2016			31-12-2016			31-03-2017	31-03-2017	31-12-2016			31-12-2016			31-12-2016			31-12-2016			31-12-2016		
	Reporting Currency and exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	CHF	Rate	₹ In Lakhs	CHF	Rate	₹ In Lakhs			CHF	Rate	₹ In Lakhs	EUR	Rate	₹ In Lakhs	EUR	Rate	₹ In Lakhs	HUF	Rate	₹ In Lakhs	CZK	Rate	₹ In Lakhs
(a)	Share Capital	▮10.00	69.37	▮693.70	⧗710.00	66.01	⧗46,869.43	2,689.72	386.41	▮ 0.20	66.61	▮ 13.32	◆0.25	71.30	◆ 17.83	▮0.35	71.30	▮ 24.96	◆ 600.00	0.23	◆138.47	◆10.00	2.64	◆26.45
(b)	Reserves & Surplus	0.62	20.23	12.50	★(46.78)	191.07	★(8,937.47)	★(4,163.93)	3,892.35	★(0.67)	66.54	★(44.58)	-	-	-	-	-	-	★(395.71)	0.23	★(91.44)	12.29	2.64	32.50
(c)	Total Assets ◣	17.19	66.51	1,143.56	984.99	60.24	59,332.90	23,845.05	4,624.94	20.36	66.51	1,354.16	20.25	71.30	1,443.90	2.75	71.30	196.08	4,858.88	0.23	1,055.72	64.58	2.64	170.80
(d)	Total Liabilities	6.58	66.48	437.36	321.76	66.51	21,400.95	25,319.26	346.18	20.83	66.51	1,385.42	20.00	71.30	1,426.07	2.40	71.30	171.13	4,381.59	0.23	1,008.69	42.29	2.64	111.85
(e)	Investments	4.02	66.49	267.40	847.59	59.22	50,194.44	-	4,405.03	7.22	66.51	480.21	-	-	-	-	-	-	-	-	-	-	-	-
(f)	Turnover	3.85	68.21	262.31	-	-	-	25,192.20	4.80	0.19	68.21	12.96	-	-	-	-	-	-	1,814.15	0.24	429.48	3.36	2.73	9.19
(g)	Profit before Taxation	(8.24)	68.07	(562.33)	(6.32)	68.22	(431.27)	(1,607.15)	(30.46)	(0.61)	68.21	(41.61)	-	-	-	-	-	-	(818.35)	0.24	(193.74)	(37.71)	2.73	(103.09)
(h)	Provision for Taxation	-	-	-	(0.27)	68.22	(18.63)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(i)	Profit after Taxation	(8.24)	68.07	(562.33)	(6.59)	68.22	(449.90)	(1,607.15)	(30.46)	(0.61)	68.21	(41.61)	-	-	-	-	-	-	(818.35)	0.24	(193.74)	(37.71)	2.73	(103.09)
(j)	Proposed Dividend			-	-	-	-	-	-	-	-	-				-	-	-	-	-	-	-	-	-
(k)	% of Shareholding	100			100			100.00	100.00	100.00			100.00			100.00			100			100		

Annexure 'I'

FORM AOC-I

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

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

PART "A" SUBSIDIARIES

₹ In Lakhs

Sr. No.	Name of Subsidiary	Lux CZ s.r.o.			Lux (Deutschland)GmbH			Lux Del Paraguay S.A.			Lux Aqua Paraguay S.A.			Lux Hungaria Kereskedelmi Kft			Lux International AG			Lux Italia srl		
	Reporting Period of Subsidiary concerned, if different from the holding company's reporting period	31-12-2016			31-12-2016			31-12-2016			31-12-2016			31-12-2016			31-12-2016			31-12-2016		
	Reporting Currency and exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	CZK	Rate	₹ In Lakhs	EUR	Rate	₹ In Lakhs	PYG	Rate	₹ In Lakhs	PYG	Rate	₹ In Lakhs	HUF	Rate	₹ In Lakhs	CHF	Rate	₹ In Lakhs	EUR	Rate	₹ In Lakhs
(a)	Share Capital	▼200.00	2.79	▼557.52	▼ 71.53	84.96	▼6,077.19	50,000.00	0.01	558.50	◆ 1,000.00	0.01	◆ 11.58	▼ 300.00	0.29	▼85.96	✦ 75.00	69.37	✦5,202.73	▼ 1.10	84.96	▼ 93.46
(b)	Reserves & Surplus	★(198.45)	2.79	★(553.42)	★(52.84)	89.78	★(4,744.47)	17,157.44	0.01	219.18	(2,080.00)	0.01	(24.09)	10,798.94	0.23	2,469.13	10.02	45.12	452.14	★(1.10)	84.96	★(93.46)
(c)	Total Assets ◣	52.73	2.64	139.46	111.54	71.29	7,953.06	3,55,779.40	0.01	4,119.92	9,180.00	0.01	106.30	23,053.21	0.23	5,307.08	458.57	66.51	30,499.85	5.66	71.30	403.58
(d)	Total Liabilities	51.18	2.64	135.36	92.85	71.30	6,620.34	2,88,621.96	0.01	3,342.24	10,260.00	0.01	118.81	11,954.27	0.23	2,751.99	373.55	66.51	24,844.98	5.66	71.30	403.58
(e)	Investments	-	-	-	-	-	-	-	-	-	-	-	-	-		-	262.98	66.51	17,490.95	-	-	-
(f)	Turnover	102.83	2.73	281.12	163.65	73.99	12,107.70	3,83,215.00	0.01	4,446.25	840.00	0.01	9.75	30,366.81	0.24	7,189.04	-	-	-	15.38	73.99	1,137.91
(g)	Profit before Taxation	(70.67)	2.73	(193.20)	5.98	73.99	442.59	5,378.93	0.01	62.41	(2,080.00)	0.01	(24.13)	(835.70)	0.24	(197.84)	(104.19)	68.21	(7,107.06)	(1.51)	73.99	(111.72)
(h)	Provision for Taxation	(55.51)	2.73	(151.75)	(2.56)	73.99	(189.45)	4,011.79	0.01	46.55	-	-	-	-	-	-	(0.04)	68.21	(2.53)	-	-	-
(i)	Profit after Taxation	(126.18)	2.73	(344.95)	3.42	73.99	253.14	1,367.14	0.01	15.86	(2,080.00)	0.01	(24.13)	(835.70)	0.24	(197.84)	(104.23)	68.21	(7,109.59)	(1.51)	73.99	(111.72)
(j)	Proposed Dividend	-		-	-																	
(k)	% of Shareholding	100			100			100						100			100			100		

Annexure 'I'

FORM AOC-I

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

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

PART "A" SUBSIDIARIES

₹ In Lakhs

Sr. No.	Name of Subsidiary	Lux Norge A/s			Lux Oesterreich Gmbh			Lux Schweiz AG			Lux / Sk/ s.r.o.			Lux International Services & Logistic GmbH (earlier known as Lux Services GmbH)			Lux Waterline GmbH			LIAG Trading & Investment Limited			Shapoorji Pallonji Forbes Shipping Limited	Volkart Fleming Shipping & Services Limited.
	Reporting Period of Subsidiary concerned, if different from the holding company's reporting period	31-12-2016			31-12-2016			31-12-2016			31-12-2016			31-12-2016			31-12-2016			31-12-2016			31-03-2017	31-03-2017
	Reporting Currency and exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NOK	Rate	₹ In Lakhs	EUR	Rate	₹ In Lakhs	CHF	Rate	₹ In Lakhs	EUR	Rate	₹ In Lakhs	EUR	Rate	₹ In Lakhs	EUR	Rate	₹ In Lakhs	in USD $	Rate	₹ In Lakhs		
(a)	Share Capital	▮160.00	8.22	▮ 1,315.29	▮ 5.00	84.96	▮424.80	▮1.00	69.37	▮69.37	✦ 8.43	74.06	✦624.28	▮0.25	73.79	▮18.45	◆ 0.25	71.30	◆ 17.83	▮ 0.28	64.95	▮18.18	8,200.00	50.39
(b)	Reserves & Surplus	★ (120.25)	8.34	★(1,002.62)	2.12	39.07	82.75	2.67	65.44	174.73	★ (8.05)	74.18	★(597.19)	9.75	71.24	694.59	★(3.29)	71.30	★(234.59)	0.65	69.04	44.88	9,016.58	449.05
(c)	Total Assets ◣	159.12	7.87	1,251.81	26.09	71.30	1,860.33	7.08	66.51	470.90	1.26	71.30	89.84	41.25	71.30	2,941.27	0.41	71.30	29.23	15.37	67.81	1,042.21	39,266.57	565.97
(d)	Total Liabilities	119.38	7.87	939.14	18.97	71.31	1,352.78	3.41	66.51	226.80	0.88	71.19	62.75	31.25	71.30	2,228.23	3.45	71.30	246.00	14.44	67.81	979.15	22,049.99	66.53
(e)	Investments	0.20	7.87	1.57	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	203.91
(f)	Turnover	342.32	8.02	2,744.97	48.47	73.99	3,586.37	22.43	68.21	1,530.00	3.23	73.99	238.98	86.23	73.99	6,379.83	0.56	73.99	41.43	26.46	67.00	1,772.69	9,729.90	170.62
(g)	Profit before Taxation	(69.47)	8.02	(557.02)	2.26	73.99	167.49	1.78	68.21	121.42	(2.82)	73.99	(208.64)	(0.07)	73.99	(5.18)	(3.29)	73.99	(243.41)	7.16	67.00	479.69	670.03	51.02
(h)	Provision for Taxation	-	-	-	(0.15)	73.99	(10.77)	-	-	-	(0.01)	73.99	(0.74)	-	-	-	-	-	-	-	-	-	16.04	10.75
(i)	Profit after Taxation	(69.47)	8.02	(557.02)	2.12	73.99	156.72	1.78	68.21	121.42	(2.83)	73.99	(209.38)	(0.07)	73.99	(5.18)	(3.29)	73.99	(243.41)	7.16	67.00	479.69	653.99	40.26
(j)	Proposed Dividend							-	-	-										-		-		-
(k)	% of Shareholding	100			100			100			100			100			100			100			25	100

★ Net of Debit balance of Profit & Loss Accounts.

◣ Includes Investments

▼ Held by Eureka Forbes Limited, a Subsidiary of the Company.

◆ Held by Forbes Campbell Finance Limited a subsidiary of the company

⧗ Held by Aquamall Water Solution Limited a Subsidiary of Eureka Forbes Limited

✦ Held by Forbes Lux International AG, a Subsidiary of Aquamall Water Solution Limited

▮ Held by Lux International AG, Subsidiary of Forbes Lux International AG

◆ Held by Lux Professional International GmbH, subsidiary of Forbes Lux International AG

Part "B" : Associates and Joint Ventures

₹ In Lakhs

Sr. No.	Name of Joint Ventures / Associates	Forbes Aquatech Limited	Forbes Concept Hospitality Services Private Limited	Infinite Water Solutions Private Limited	Forbes G4S Solutions Private Limited	Aquaignis Technologies Private Limited	AMC Cookware PTE Limited	The Svadeshi Mills Company Limited	Euro P2P Direct (Thailand) Company Limited	Forbes Container Lines Pte.Ltd.	Nuevo Consultancy Services Private Limited	Dhan Gaming Solution (India) P.Ltd.
1	**Latest Audited Balance sheet Date**	31-03-2017	31-03-2017	31-03-2017	31-03-2017	31-03-2017	31.12.2016		31.12.2016	31-03-2016	31-03-2017	31-03-2017
2	**Share of Associate/ Joint Venture held by the company on the year end**											
	Number of share held	★ 5,00,000	★26,25,000	★35,00,000	★ 5,000	♦ 29,27,867	✸ 5,000	17,69,430	19,596	# 8,64,960	58,849	✸10,000
	Amount of Investment (Rs. in lakhs)	50.00	262.50	350.00	0.50	292.79	0.00	285.26	26.68	271.26	5.88	0.01
	Extend of Holding %	50%	50%	50%	50%	50%	50%	23%	49%	29.56%	49%	49%
3	**Description of how there is significant influence**	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Associate	Associate	Associate	Associate	Associate
4	**Reason why the associate/ Joint venture is not consolidated**	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
5	Networth attributable to shareholding as per latest audited Balance Sheet (Rs. in lakhs)	613.74	6.40	1,632.46	(2.46)	185.26	3,799.76	♦♦	(2,616.75)	-	(221.96)	0.23
6	**Profit/Loss for the year**											
	(1) Consider in Consolidation (Rs. in lakhs)	145.27	0.32	402.97	-	(5.48)	918.08	♦♦♦	-	(2511.30)	-	-
	(2) Not Considered in Consolidation (Rs. in lakhs)	-	-	-	-	-	-	-	-	-	415.31	(0.11)

★ Held by Eureka Forbes Limited a Subsidiary of Forbes & Comapny

✸ Held by Lux International AG a subsidiary of Forbes Lux International AG

♦ Held by Aquamall Water Solutions Limited a Subsidiary of Eureka Forbes Limited

✸ Held by Nuevo Consultancy Services Private Limited associate of the company

♦♦ Assets of Company including assets of coromandal Garment Limited subsidiary of svadeshi Mills Company Limited continued to be in the hands of the Official Liquidator, High Court Bombay.

♦♦♦ In the absence of the financial statements being available, these consolidated financial statements do not include the effect, if any, of equity accounting for investment in this associate; the investment in this associate have been fully provided for.

\# Under Creditors Winding up since May' 2016.

For and on behalf of the Board of Directors

Shapoor P. Mistry
Chairman

Mumbai, May 25, 2017

Annexure 'II'

DIVIDEND DISTRIBUTION POLICY

1. Background, Scope and Applicability

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Regulations") require the top 500 listed companies (by market capitalisation) to disclose a Dividend Distribution Policy ("Policy") in the annual report and on the corporate website. The entities other than top 500 listed companies may adopt and disclose their dividend distribution policies on voluntary basis.

The Company currently has only one class of shares, viz. equity, for which this policy is applicable. The policy is subject to review if and when the Company issues different classes of shares.

The intent of the Policy is to broadly specify the external and internal factors including financial parameters that shall be considered while declaring dividend and the circumstances under which the shareholders of the Company may or may not expect dividend and how the retained earnings shall be utilized, etc.

2. Dividend

Dividend represents the profit of the Company, which is distributed to shareholders in proportion to the amount paid-up on shares they hold. Dividend includes Interim Dividend.

3. Circumstances under which shareholders can expect Dividend

The Board shall before declaring any dividend assess the Company's financial performance, long term strategy, present and future organic and inorganic growth plans and other relevant factors (as mentioned elsewhere in this policy) and ensure that sufficient funds are retained for growth of the Company.

The Dividend for any financial year shall normally be paid out of the Company profits for that year. If circumstances require, the Board may also declare dividend out of accumulated profits of any previous financial year(s) in accordance with provisions of the Act and Regulations, as applicable.

4. Parameters for declaration of Dividend

The Board of Directors of the Company, shall consider the following parameters for declaration of Dividend:

Financial Parameters / Internal Factors :

The Board of Directors of the Company would consider the following financial parameters before declaring or recommending dividend to shareholders:

(a) Net operating profit after tax;
(b) Distributable surplus available as per the Act and Regulations;
(c) Working capital requirements;
(d) Capital expenditure requirements;
(e) Resources required to fund acquisitions and / or new businesses;
(f) Cash flow required to meet contingencies;
(g) Outstanding borrowings;
(h) Additional investment in subsidiaries and associates of the company;
(i) Stipulations/ Covenants of loan agreements; and
(j) Past Dividend Trends.

External Factors:

The Board of Directors of the Company would consider the following external factors before declaring or recommending dividend to shareholders:

(a) Prevailing legal requirements, regulatory conditions or restrictions laid down under the applicable laws including tax laws;
(b) Global conditions; and
(c) Dividend pay-out ratios of companies in the same industry.

5. Utilization of Retained Earning

The Board may retain its earnings in order to make better use of the available funds and increase the value of the stakeholders in the long run. The decision of utilization of the retained earnings of the Company shall be based on the following factors:

- Market expansion plan;
- Increase in production capacity;
- Modernization plan;
- Diversification of business;
- Long term strategic plans;
- Replacement of capital assets;
- Dividend payment; and
- Such other criteria as the Board may deem fit from time to time.

6. Manner of Dividend Payout

Interim dividend: Interim dividend, if any, shall be declared by the Board. Before declaring interim dividend, the Board shall consider the financial position of the Company that allows the payment of such dividend. The payment of dividends shall be made within the statutorily prescribed period from the date of declaration to the shareholders entitled to receive the dividend on the record date, as per the applicable laws.

Final dividend: Recommendation, if any, shall be done by the Board, usually in the Board meeting that considers and approves the annual financial statements, subject to approval of the shareholders of the Company. The dividend as recommended by the Board shall be approved/declared at the Annual General Meeting of the Company. The payment of dividends shall be made within the statutorily prescribed period from the date of declaration, to those shareholders who are entitled to receive the dividend on the record date/book closure period, as per the applicable law.

7. Disclosures

The Dividend Distribution Policy shall be disclosed in the Annual Report and on the website of the Company i.e. at www.forbes.co.in. The Company shall also make appropriate disclosures as required under the SEBI Regulations.

8. General

This Policy would be subject to revision/amendment in accordance with the guidelines as may be issued by Ministry of Corporate Affairs, Securities and Exchange Board of India or such other regulatory authority as may be authorized, from time to time, on the subject matter.

The Company reserves its right to alter, modify, add, delete or amend any of the provisions of this Policy.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

9. Disclaimer

This document does not solicit investments in the Company's securities. Nor is it an assurance of guaranteed returns (in any form), for investments in the Company's equity shares.

For and on behalf of the Board of Directors

Shapoor P. Mistry
Chairman

Mumbai, May 25, 2017

Annexure 'III'

Particulars of contracts or arrangements with related parties

Form No. AOC-2

Form for disclosure of particulars of contracts/arrangements entered into by Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1	Details of contracts/arrangements or transactions not at arm's length basis		Nil
2	Details of the material contracts /arrangements or transactions at arm's length basis :		Nil
	a	Name of related party and nature of relationship	Nil
	b	Nature of contracts/arrangements/transactions	Nil
	c	Duration of contract/arrangements/transactions	Nil
	d	Salient terms of the contract / arrangement /transactions including value, if any	Nil
	e	Details of approval of the Board	Nil
	f	Amount paid as advance, if any	Nil

For and on behalf of the Board of Directors

Shapoor P. Mistry
Chairman

Mumbai, May 25, 2017.

Annexure 'IV'

NOMINATION AND REMUNERATION POLICY

DEFINITIONS & INTERPRETATION

In this Policy unless the context otherwise requires:

Act shall mean Companies Act, 2013.

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

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

KMPs or Key Managerial Personnel shall mean following:

a. Managing Director (MD), or Chief Executive Officer or Manager and in their absence, Whole time Director;

b. Company Secretary; and

c. Chief Financial Officer

NRC shall mean Nomination and Remuneration Committee.

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

INTERPRETATION

i. The provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI (LODR), 2015] shall be deemed to have been mutatis mutandis specifically incorporated in this Policy and in case any of the provision of this Charter is inconsistent with the provisions of Act and/or the SEBI (LODR), 2015 the provisions of Act and/or the SEBI (LODR), 2015 shall prevail.

ii. The capitalized words not specifically defined in the Policy shall have the same meaning as under the Act or the SEBI (LODR), 2015 or the Charter.

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

OBJECTIVES

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

- Ensuing that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
- Ensuing that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- Ensuing that the remuneration to Directors, KMPs, and other Senior Management Personnel of the Company involves a fine balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-executive) and persons who may be appointed in Senior Management, KMPs and to determine their remuneration;
- To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in the industry;
- To carry out evaluation of the performance of Directors;
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage; and
- To lay down criteria for appointment, removal of directors, KMPs and Senior Management Personnel and evaluation of their performance.

FUNCTIONS OF NOMINATION AND REMUNERATION COMMITTEE

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

- Identify persons who are qualified to become Directors in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance;
- Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees;
- Determine the criteria for selection, attributes and broad parameters for appointment of KMPs, evaluation and measurement of performance of KMPs and to recommend appointments of KMPs to the Board.
- Determine the criteria for selection, compensation structure, evaluation and measurement of performance of Senior Management Personnel.
- Ensure that the Board comprises of a balanced combination of Executive Directors and Non-Executive Directors and also the Independent Directors;
- Devise framework to ensure that Directors are inducted through suitable familiarization process covering their roles, responsibility and liability;
- Oversee the formulation and implementation of ESOP Schemes, its administration, supervision, and formulating detailed terms and conditions in accordance with SEBI Guidelines;
- Devise a policy/criteria on Board diversity;
- The NRC shall assist the Board in ensuring that plans are in place for orderly succession for appointments to the Board and to Senior Management; and
- Set up mechanism to carry out its functions and is further authorized to delegate any / all of its powers to any of the Directors and / or officers of the Company, as deemed necessary for proper and expeditious execution.

APPOINTMENT OF DIRECTORS

- The NRC shall ensure that Board has appropriate balance of skills, experience and diversity of perspectives that are imperative for the execution of its business strategy, and consider various factors including but not limited to skills, industry experience, background, race and gender for balanced and diversified Board.
- The NRC shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMPs and recommend to the Board his/her appointment.
- An Independent Director shall also have experience and knowledge in one or more fields of finance, law, management, marketing, sales, administration, corporate governance, or any other disciplines related to the business of the Company.
- Appointment of Independent Directors shall be subject to compliance of provisions of section 149 of the Companies Act, 2013, read with schedule IV and rules thereunder. An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re- appointment on passing of a special resolution by the Company and disclosure(s) of such appointment in the Board's Report. No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.
- The NRC shall recommend appointment or re-appointment of Managing Director (MD) for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
- The NRC shall carry out evaluation of performance of every Director on an annual basis.
- The NRC may recommend, to the Board with reasons recorded in writing, removal of a Director, KMPs or Senior Management Personnel subject to the provisions of the Companies Act, 2013, and all other applicable Acts, Rules and Regulations, if any.
- The Directors, KMPs and Senior Management Personnel shall retire as per the applicable provisions of the Regulations and the prevailing policy of the Company. The NRC shall from time to time recommend, review and revise, if required the retirement policy for Directors, KMPs and Senior Management Personnel.
- The Board will have the discretion to retain the Director, KMPs and Senior Management Personnel in the same position/remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.
- The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.

REMUNERATION OF MD

- The remuneration/ to the Managing Director will be determined by the NRC and recommended to the Board for approval. The remuneration/ compensation/profit-linked commission etc. shall be in accordance with the percentage/slabs/conditions laid down in the Articles of Association of the Company, Act and shall be subject to the prior/post approval of the members of the Company and Central Government, wherever required.

- Increments to the MD should be within the slabs approved by the members and shall be made after taking into consideration the Company's overall performance, MD's contribution for the same, trends in the industry in general and in a manner which would ensure and support a high performance culture. The MD shall be eligible for remuneration as may be approved by the members of the Company on the recommendation of the NRC and the Board of Directors. The break-up of the pay scale, performance bonus and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the NRC and shall be within the overall remuneration approved by the members and Central Government, wherever required. If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its MD in accordance with the provisions of the Companies Act, 2013 and if it is not able to comply with such provisions, then with the approval of the Central Government.
- The Remuneration to MD shall involve a balance between fixed and incentive pay reflecting short and long term performance and objectives appropriate to working of the Company and its goals.
- The Non-Executive Directors (Including Independent Directors) of the Company shall be paid sitting fees as per the applicable Regulations as approved by the Board from time to time. The boarding and lodging expenses of Directors for attending meetings shall be reimbursed to the Directors based out of Mumbai.
- The profit-linked Commission shall be paid within the monetary limit approved by the members of the Company subject to the same not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Regulations.
- Pursuant to the provisions of the Act, an Independent Director shall not be entitled to any stock option of the Company.
- Only such employees of the Company and its subsidiaries as approved by the NRC will be granted ESOPs.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

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

UPDATING THE DIRECTORS ON A CONTINUING BASIS

- The Company shall periodically arrange Board Strategy discussions at any of the Company's plants or off-site locations. At such Meetings, the Directors also get an opportunity to see the Company's operations, interact with the Plant Heads and review the sustainability aspects of the Plant. This would enable them to gain an understanding and appreciation of the operations of the Company and initiatives taken on safety, quality, environment issues, CSR, Sustainability, etc.
- At the Board Strategy Meeting, presentations shall be made to the Directors on the Company's long term Vision and Strategy. Business Heads may also present their plans and priorities with the Board. This would enable the Directors to get a deeper insight in the operations of the Company.
- Periodic presentations on operations to the Board shall include information on business performance, operations, market share, financial parameters, working capital management, fund flows, senior management changes, major litigation, compliances, subsidiary data, etc.
- Business Heads and Company Executives may be invited at Board or Committee Meetings and meetings of Directors for better understanding of the business and operations of the Company.

REMUNERATION TO KMPs AND SENIOR MANAGEMENT

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

For and on behalf of the Board of Directors

Shapoor P. Mistry
Chairman

Mumbai, May 25, 2017

Annexure 'V'

Disclosure under section 197(12) and Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. a) Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year ended March 31, 2017

Name of the Director	Ratio to Median Remuneration
Non – Executive Directors*	
Mr. Shapoor P. Mistry	0.19:1
Mr. S. L. Goklaney (ceased to be a director w.e.f. June 30, 2016)	#
Mr. T. R. Doongaji (ceased to be a director w.e.f. May 4, 2016)	#
Mr. Kaiwan D. Kalyaniwalla	1.89:1
Mr. D. Sivanandhan	1.69:1
Mr. Jimmy J. Parakh (ceased to be a director w.e.f. June 28, 2016)	#
Mr. Jai L. Mavani	0.99:1
Mr. Kannan Dasaratharaman (ceased to be a director w.e.f. May 6, 2016)	#
Ms. Aslesha Gowariker (appointed as director w.e.f. June 30, 2016)	#
Executive Director	
Mr. Ashok Barat (ceased to be Managing Director w.e.f. April 27, 2016)	#
Mr. Mahesh Tahilyani (appointed as Managing Director w.e.f. April 28, 2016)	#

* Non-Executive Directors of the Board were paid only sitting fees.

\# Since the remuneration of these Directors is only for part of the year, the ratio of their remuneration to median remuneration is not comparable.

b) Percentage increase in remuneration of KMPs in the financial year:

Executive Director, Chief Financial Officer and Company Secretary	% increase on Cost To Company
Mr. Ashok Barat, Managing Director	10%
Mr. Pankaj Khattar, Company Secretary	14%

Mr. Mahesh Tahilyani, Mr. Nirmal Jagawat were appointed during the year, hence were not eligible for annual increment during the FY 2016-17. Ms. Sunetra Ganesan ceased to be Chief Financial Officer on April 30, 2016 and there was no increase in her remuneration.

2. Percentage increase in the median remuneration of employees in the financial 2016-2017.

The increase in median remuneration was 12%. The range of increase was from 0% to 22% barring a few employees who were given a higher percentage increase/market correction for market parity. Some underperforming employees, were not given an increase and were either separated or put on a Performance Improvement Plan.

3. Number of permanent employees on the rolls of Company as on March 31, 2017: 456.

4. Average percentile increase already made in the salaries of employees other than managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

Average increase in remuneration of employees (other than KMPs) was 12%. The increase in remuneration is based on the Company's performance, individual performance, inflation, prevailing industry trends and benchmarks.

5. The Company affirms remuneration is as per the remuneration policy of the Company.

For and on behalf of the Board of Directors

Shapoor P. Mistry
Chairman

Mumbai, May, 25, 2017

Annexure 'VI'

FORM NO. MR.3
SECRETARIAL AUDIT REPORT
For The Financial Year Ended 31st March, 2017
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017 **('Audit Period')** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 according to the provisions of:

(i) The Companies Act, 2013 **(the Act)** and the rules made there under.

(ii) The Securities Contracts (Regulation) Act, 1956 **('SCRA')** and the rules made there under.

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under.

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings **(Not applicable to the Company during the Audit Period).**

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28th October, 2014 and its amendments notified on 18th September, 2015. **(Not Applicable during the audit period)**

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not Applicable during the audit period)** and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not Applicable during the audit period).**

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

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that as confirmed by the company no law is specifically applicable to it.

We further report that,

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

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

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

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

We further report that during the audit period the Company has issued Secured Non-Convertible Debentures (NCDs)/ Bonds of Rs. 40 Crores on Private Placement Basis.

For Makarand M. Joshi & Co.,

Makarand Joshi
Partner
Membership No.: 5533
CP No.: 3662

Place: Mumbai
Date: April 26, 2017

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

Annexure 'A'

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

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

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

For Makarand M. Joshi & Co.,

Makarand Joshi
Partner
Membership No.: 5533
CP No.: 3662

Place: Mumbai
Date: April 26, 2017

Annexure 'VII'

Particulars of Technology Absorption and Foreign Exchange Earnings and Outgo, as per section 134(3)(m) of the Companies Act , 2013 and the Rules made therein and forming part of Directors' Report for the year ended March 31, 2017.

(A) Conservation of Energy:

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

(a) Energy Conservation Measures Taken:

Our initiative of replacing conventional lighting arrangements with LED lights & T5 Tube lights has saved us 3024 KWH of power approximate value of Rs .0.38 lakhs p.a.

Introduction electrically operated coolant valves on Compressors airlines consolidation with replacing pneumatic actuated coolant valves helped to reduce air consumption – 33637 KWH approx value Rs.4.21 lakhs p.a.

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

Saving of energy consumption of approx. 36661KWH on an annualized basis due to the measure taken above, resulting in savings of Rs.4.59 lakhs p.a.

(ii) Steps taken by the company for utilising alternate sources of energy

we are exploring option of solar energy as pilot project in Waluj plant

(iii) Capital investment on energy conservation equipment: Nil

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

1. Efforts, in brief, made towards technology absorption and benefits derived as result of below activity's

Waluj Plant

1. Solid Carbide Operation

In our efforts in the direction of technological solution providing company, we developed new product program in high performance tooling for special application in automotive industries like Crank shaft oil hole drilling. This special program has helped in reduction of customer tooling cost by more than 35%.This development has helped Company to improve product portfolio against multinationals and helped Company to make entry in niche segment where OEM tool suppliers are having market monopoly

As part of existing tool life enhancement and up gradation program of high performance drills, we have achieved better cost per component and productivity at customer end has increased by 20%. This has helped us to penetrate into OEM business in drilling application.

Introduction of new state of art measurement technology helped us to improve product performance by measuring critical parameter

2. Coding Business Group (CBG)

Software developed and installed on Multilineline of leading two wheeler manufacturers for Chassis number and Engine number punched on Frame and Engine. This software is integrating customer Oracle data base from planning with Central MES server and client computer on machine. The number marking is system controlled and Database creation and report generation of number being marked. This project is one of the element of Industry 4.0 towards SMART manufacturing which is one of future revenue stream for CBG

Bradma Industrial Automation division has ventured into line automation (nonmarking applications) for major Auto OEM which has solution for various application such as material handling, pick & place fixtures and traceability. These developments are futuristic and are in line with business vision.

3. Chandivali Plant

Totem is leader in tapping solutions and in line with global customer requirements, we have installed world class measuring devices to measure micron and sub-micron accuracies. These devices will help us building customized solution to help us competes against multinationals.

We have installed simulation software which facilitates to develop accurate solution for difficult application such as stainless steel and Titanium alloys.

Computerized numerically controlled thread measurement system will help to measure critical parameter through vision based measurement, which measures all critical geometrical parameters of the tool in one go with added advantage for design & development of new tools and bench marking products.

Foreign exchange earnings and outgo: **(Rs. In Lakhs)**

(a)	**Foreign exchange earnings:**	
1	Export of goods calculated on FOB basis	2458.17
2	Commission and other Services	52.27
3	Freight and Insurance recoveries	24.95
4	Others	54.73
	Total	**2590.12**
(b)	**Foreign exchange outgo:**	
1	Imports calculated on CIF basis – Raw material	2541.85
2	Imports calculated on CIF basis – Components	115.34
3	Imports calculated on CIF basis – stores, spares and tools	100.07
4	Imports calculated on CIF basis – purchase for re-sale	2.11
5	Imports calculated on CIF basis – Capital Goods	645.34
6	Commission to overseas agents	32.90
7	Foreign travel	32.58
8	Royalty	-
9	Others	139.56
	Total	**3609.75**

For and on behalf of the Board of Directors

Shapoor P. Mistry
Chairman

Mumbai, May 25, 2017

Annexure 'VIII'

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on March 31, 2017
[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of The Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

(i)	**CIN**	L17110MH1919PLC000628
(ii)	**Registration Date**	November 18, 1919
(iii)	**Name of the Company**	FORBES & COMPANY LIMITED
(iv)	**Category / Sub - Category of the Company**	Company Limited by Shares / Indian Non-Government Company
(v)	**Address of the Registered Office and Contact Details**	Forbes' Building, Charanjit Rai Marg, Fort, Mumbai 400 001 Telephone No : +91 22 6135 8900 Fax No: +91 22 6135 8901 E-mail: investors.relations@forbes.co.in Website: www.forbes.co.in
(vi)	**Whether Listed Company**	Yes
(vii)	**Name, Address and Contact Details of Registrar and Transfer Agent, if any**	TSR Darashaw Limited Address: 6-10, Haji Moosa Patrawala Industrial Estate, 20, Dr. E. Moses Road, Near Famous Studio, Mahalaxmi, Mumbai-400 011. Telephone No: +91 22 6656 8484 Fax No: +91 22 6656 8494 E-mail: csg-unit@tsrdarashaw.com Website: www.tsrdarashaw.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:

Name/Description of Main Products/Services	NIC Code of Product/Service	% to total turnover of the Company
Threading Tools	**28221**	**25%**
Carbide Tools	**25939**	**13%**
Real Estate Contract	**41001**	**32%**

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATES COMPANIES:

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	Shapoorji Pallonji and Company Private Ltd. 70,Nagindas Master Road, Fort, Mumbai-400023	U45200MH1943PTC003812	Holding	72.56	2(46)
2	Eureka Forbes Ltd. 7, Chakraberia Road, Kolkata – 700025	U27109WB1931PLC007010	Subsidiary	100	2(87)
3	Campbell Properties and Hospitality Services Ltd. Forbes' Building, Charanjit Rai Marg, Fort, Mumbai-400 001.	U70102MH2014PLC260490	Subsidiary	100	2(87)
4	Forbes Campbell Finance Ltd. Forbes' Building, Charanjit Rai Marg, Fort, Mumbai-400 001.	U51103MH1977PLC259702	Subsidiary	100	2(87)
5	Forbes Technosys Ltd Forbes' Building, Charanjit Rai Marg, Fort, Mumbai-400 001.	U29290MH1991PLC062425	Subsidiary	100	2(87)
6	Volkart Fleming Shipping and Services Ltd. Cassinath Building, A. K. Nayak Marg, Fort, Mumbai-400001.	U63090MH1920PLC000808	Subsidiary	100	2(87)
7	The Svadeshi Mills Company Ltd. (Under Liquidation) Svadeshi Mills Compound, Sion, Mumbai 400 022	U99999MH1886PLC000074	Associate	22.70	2(6)
8	Nuevo Consultancy Services Private Ltd. (Formerly Forbes Infotainment Ltd) Shapoorji Pallonji Centre, 41/44, Minoo Desai Marg, Colaba, Mumbai 400 005	U70200MH2003PTC139672	Associate	49	2(6)
9	EFL Mauritius Ltd 4th Floor, 19th Bank Street, Cybercity Ebene. Mauritius	Not Applicable	Subsidiary	100	2(87)
10	Euro Forbes Financial Services Ltd. B1/B2, 7th Floor, 701, Marathon Innova, Off Ganpatrao Kadam Marg, Lower Parel. Mumbai-400 013	U67190MH2011PLC214424	Subsidiary	100	2(87)
11	Euro Forbes Ltd. 409, City Tower 1, Sheikh Zayed Road, Dubai, United Arab Emirates	Not Applicable	Subsidiary	100	2(87)
12	Forbes Bumi Armada Ltd Forbes' Building, Charanjit Rai Marg, Fort, Mumbai 400 001	U35100MH2006PLC159958	Subsidiary	51	2(87)
13	Forbes Campbell Services Ltd. Cassinath Building, A K Nayak Marg,Fort, Mumbai 400 001	U74140MH1975PLC018077	Subsidiary	98	2(87)
14	Forbes Edumetry Ltd. (Under Liquidation) Forbes' Building, Charanjit Rai Marg,Fort, Mumbai 400 001	U72900MH2005PLC157375	Subsidiary	57.50	2(87)
15	Forbes Enviro Solutions Ltd. B1/B2, 7th Floor, 701, Marathon Innova, Off Ganpatrao Kadam Marg, Lower Parel. Mumbai-400 013	U27310MH2008PLC188478	Subsidiary	100	2(87)

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
16	Forbes Facility Services Pvt. Ltd. B1/B2, 7th Floor, 701, Marathon Innova, Off Ganpatrao Kadam Marg, Lower Parel, Mumbai-400 013	U74930MH2004PTC147742	Subsidiary	100	2(87)
17	Forbes Lux FZCO LOB 17, Office 207, PO Box 261698, Jebel Ali, Dubai, United Arab Emirates	Not Applicable	Subsidiary	99.42	2(87)
18	Forbes International AG (earlier known as Forbes Lux Group AG) Blickensdorferstrasse, 21B 6340, Baar, Switzerland	Not Applicable	Subsidiary	100	2(87)
19	Forbes Lux International AG Blickensdorferstrasse, 21B 6340, Baar, Switzerland	Not Applicable	Subsidiary	100	2(87)
20	Lux Deutschland GmbH Petersberger Strasse, 21 36037, Fulda, Germany	Not Applicable	Subsidiary	100	2(87)
21	Lux(CZ), s.r.o Ke Slivenci, 48-154 00, Praha 5 Lochkov, Czech Republic	Not Applicable	Subsidiary	100	2(87)
22	Lux Hungaria Kereskedelmi.Kft Javor u. 5/a 1145 Budapest, Hungary	Not Applicable	Subsidiary	100	2(87)
23	Lux International AG Blickensdorferstrasse, 21B 6340, Baar, Switzerland	Not Applicable	Subsidiary	100	2(87)
24	Lux Italia s.r.l Via Paracelso N 26, Palazzo Cassiopea, ING3 I-20864 Agrate Briazoo MB/Milan, Italy	Not Applicable	Subsidiary	100	2(87)
25	Lux Norge AS PB 6731, Etterstad, N-0609, Oslo, Norway	Not Applicable	Subsidiary	100	2(87)
26	Lux Osterreich GmbH Concorde Business Park 1, 2320 Schwechat, Vienna, Austria	Not Applicable	Subsidiary	100	2(87)
27	Lux Schweiz AG Blickensdorferstrasse, 21B6340, Baar, Switzerland	Not Applicable	Subsidiary	100	2(87)
28	Lux International Services & Logistics GmbH (earlier known as Lux Service GmbH) Petersberger Strasse, 21, 36037, Fulda, Germany	Not Applicable	Subsidiary	100	2(87)
29	Lux / Sk / s.r.o Hany Melickovej 1/H, 841 05 Bratislava, Slovakia	Not Applicable	Subsidiary	100	2(87)
30	LIAG Trading & Investments Ltd 409, City Tower 1, Sheikh Zayed Road,P.O. Box 118767, Dubai, United Arab Emirates	Not Applicable	Subsidiary	100	2(87)
31	Shapoorji Pallonji Forbes Shipping Ltd Forbes' Building, Charanjit Rai Marg, Fort, Mumbai 400 001	U61100MH2006PLC163149	Subsidiary	25	2(87)
32	Aquadiagnostics Water Research & Technology Centre Ltd No.143, C-4, Bommasandra Industrial Area, Off Hosur Road,Anekal Taluk, Bengaluru 560 099	U73100KA2008PLC045994	Subsidiary	100	2(87)
33	Aquamall Water Solutions Ltd Flat No. 20, 1st Floor, Soni Business Complexs, Prasanthi Nagar, Kukatpally, Hyderabad 500 072	U29219TG1980PLC002851	Subsidiary	100	2(87)

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
34	Euro P2P Direct (Thailand) Co. Ltd 98/120-121, Nuanchan Road, Nuanchan, Khet Bungkum, Bangkok 10230. Thailand	Not Applicable	Associate	49	2(6)
35	The Coromandel Garments Limited (Wholly owned subsidiary of The Svadeshi Mills Co. Ltd (Under Liquidation) Plot No. 21, Ambattur Industrial Estate, Chennai - 600 050.	Not Applicable	Associate	22.70	2(6)
36	Lux del Paraguay S.A (Formerly known as Hoger Paraguay Electrodomesticos S.A) Estrella 764 Casi Ayolas, Asuncion, Paraguay	Not Applicable	Subsidiary	50	2(87)
37	Forbes Aquatech Ltd. 36/4, Annexe Building, 4th Cross, Raghavendra Nagar, Hrbr Layout, Hennur Ring Road, Bengaluru, Karanataka, 560 043	U28122KA2003PLC032492	Associate	50	2(6)
38	Forbes Concept Hospitality Services Pvt Ltd. B1/B2, 7th Floor, 701, Marathon Innova, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013.	U55101MH2006PTC162855	Associate	50	2(6)
39	Infinite Water Solutions Pvt Ltd B1/B2, 7th Floor, 701, Marathon Innova, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013.	U749999MH2008PTC180918	Associate	50	2(6)
40	Forbes G4S Solutions Pvt Ltd C-16, Community Centre, Janakpuri, Behind Janak Cinema, New Delhi 110058	U52100DL2010PTC206267	Associate	50	2(6)
41	Aqualgnis Technologies Pvt Ltd Khasra No. 3946,3961 & 3962 Lal Tappar Industrial Area, Majri Grant, Dehradun - 248140	U31908UR2012PTC000450	Associate	50	2(6)
42	AMC Cookware (Pty) Ltd 4, Castor Road, Lansdowne, PO Box. 24200, 7779 Cape Town, South Africa	Not Applicable	Associate	50	2(6)
43	Lux Professional International GmbH (earlier known as Lux Aqua GmbH) Blickensdorferstrasse, 21B 6340, Baar, Switzerland	Not Applicable	Subsidiary	100	2(87)
44	Lux Aqua Hungaria KFT Javor utca, 5/a, 1145, Budapest, Hungaria	Not Applicable	Subsidiary	100	2(87)
45	Lux Professional GmbH Petersberger Strasse 21, 36037 Fulda, Germany	Not Applicable	Subsidiary	100	2(87)
46	Lux Österreich Professional GmbH Concorde Business Park 1, 2320 Schwechat/Vienna, Austria	Not Applicable	Subsidiary	100	2(87)
47	Lux Aqua Paraguay SA Estrella, 764 casi Ayolas, Asunción, Paraquay	Not Applicable	Subsidiary	100	2(87)
48	Lux Aqua Czech s.r.o Ke Slivenci, 48-154 00, Praha 5 Lochkov, Czech Republic	Not Applicable	Subsidiary	100	2(87)
49	Lux Waterline GmbH Petersberger Strasse, 21, 36037, Fulda, Germany	Not Applicable	Subsidiary	100	2(87)
50	Brightyclean (Spain) S.L. Calle Pez Volador 42, 28007 Madrid, Spain	Not Applicable	Subsidiary	100	2(87)
51	Dhan Gaming Solution (India) Private Limited Shapoorji Pallonji Centre, 41/44,Minoo Desai Marg, Colaba, Mumbai 400 005	U92490MH2003PTC139673	Associate	49	2(6)

IV. SHARE HOLDING PATTERN: (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise / Shareholding

Category of Shareholders	No. of Shares held at beginning of the year i.e. April 1, 2016				No. of Shares held at the end of the year i.e. March 31, 2017				% Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A) Promoters									
(1) Indian									
(a) Individuals/H.U.F	0	0	0	0	0	0	0	0	0
(b) Central Government	0	0	0	0	0	0	0	0	0
(c) State Government	0	0	0	0	0	0	0	0	0
(d) Bodies Corporate	95,25,691	0	95,25,691	73.85	95,25,691	0	95,25,691	73.85	0
(e) Financial Institution/ Banks	0	0	0	0	0	0	0	0	0
(f) Any Other(Specify)	0	0	0	0	0	0	0	0	0
Sub-Total(A)(1)	**95,25,691**	**0**	**95,25,691**	**73.85**	**95,25,691**	**0**	**95,25,691**	**73.85**	**0.00**
(2) Foreign									
(a) Individual (Non-Resident Indiduals/Foreign Individuals)	0	0	0	0	0	0	0	0.00	0.00
(b) Bodies Corporates	0	0	0	0	0	0	0	0.00	0.00
(c) Financial Institutions / Banks	0	0	0	0	0	0	0	0.00	0.00
(d) Any other (Specify)	0	0	0	0	0	0	0	0.00	0.00
Sub-total (A) (2)	0	0	0	0	0	0	0	0.00	0.00
Total Shareholding of Promoter and Promoters Group(A)=(A)(1)+(A)(2)	**95,25,691**	**0**	**95,25,691**	**73.85**	**95,25,691**	**0**	**95,25,691**	**73.85**	**0**
(B) Public Shareholding									
(1) Institutions									
(a) Mutual Funds / UTI	152	250	402	0.00	142	250	392	0.00	0.00
(b) Financial Institutions / Banks	11,857	7,288	19,145	0.15	11,767	7,288	19,055	0.15	0.00
(c) Cental Government / State Government(s)	30,363	79,980	1,10,343	0.86	30,363	79,980	1,10,343	0.86	0.00
(d) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e) Insurance Companies	0	500	500	0.00	0	500	500	0.00	0.00
(f) Foreign Institutional Investors	62,165	50	62,215	0.48	0	50	50	0.00	-0.48
(g) Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h) Foreign Portfolio Investors (Corporate)	14,86,907	0	14,86,907	11.53	14,95,426	0	14,95,426	11.59	0.07
(i) Any Other (specify)	0	0	0	0	0	0	0	0	0
Sub-Total (B) (1)	**15,91,444**	**88,068**	**16,79,512**	**13.02**	**15,37,698**	**88,068**	**16,25,766**	**12.60**	**-0.42**
(2) Non-Institutions									
(a) Bodies Corporate									
i) Indian	1,02,786	11,281	1,14,067	0.88	2,36,677	11,281	2,47,958	1.92	1.04
ii) Overseas	46,650	1,580	48,230	0.37	46,650	1,580	48,230	0.37	0.00
(b) Individuals -									
i. Individual shareholders holding nominal share capital upto Rs. 1 lakh	7,21,578	4,57,748	11,79,326	9.14	7,83,246	4,42,386	12,25,632	9.50	0.36
ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	3,51,150	0	3,51,150	2.72	2,24,699	0	2,24,699	1.74	-0.98
(c) Any Other									
(i) Trust	640	0	640	0.00	640	0	640	0.00	0.00
Sub-total (B) (2)	**12,22,804**	**4,70,609**	**16,93,413**	**13.13**	**12,91,912**	**4,55,247**	**17,47,159**	**13.55**	**0.42**
Total Public Shareholding (B) = (B)(1)+(B)(2)	**28,14,248**	**5,58,677**	**33,72,925**	**26.15**	**28,29,610**	**5,43,315**	**33,72,925**	**26.15**	**0.00**
TOTAL (A)+(B)	**1,23,39,939**	**5,58,677**	**1,28,98,616**	**100.00**	**1,23,55,301**	**5,43,315**	**1,28,98,616**	**100.00**	**0.00**
(c)Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0	0	0	0	0	0
GRAND TOTAL (A)+(B)+(C)	**1,23,39,939**	**5,58,677**	**1,28,98,616**	**100.00**	**1,23,55,301**	**5,43,315**	**1,28,98,616**	**100.00**	**0.00**

ii) Shareholding Pattern of Promoters:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year i.e. April 1, 2016			Shareholding at the end of the year i.e. March 31, 2017			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1	Shapoorji Pallonji and Company Private Ltd	93,59,293	72.56	0.00	93,59,293	72.56	0.00	No Change
2	Forbes Campbell Finance Ltd	1,66,398	1.29	0.00	1,66,398	1.29	0.00	No Change
	Total	**95,25,691**	**73.85**	0.00	**95,25,691**	**73.85**	0.00	**No Change**

iii) Change in Promoters' Shareholding (Please specify, if there is no change):

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	**At the beginning of the year**	There is no change in Promoters' Shareholding between April 1, 2016 to March 31,2017			
2	**Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):**				
3	**At the end of the year**				

iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

Name of Shareholder	Date	Reason	Shareholding at the beginning of the year April 1, 2016		Cumulative Shareholding during the year	
			No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
India Discovery Fund Limited	April 1, 2016	At the beginning of the year	11,48,255	8.90	11,48,255	8.90
	March 31, 2017	At the end of the year	0	0	11,48,255	8.90
Antara India Evergreen Fund Ltd	April 1, 2016	At the beginning of the year	3,38,652	2.63	3,38,652	2.63
	June 3, 2016	Sale of shares	-766	-0.01	3,37,886	2.62
	June 10, 2016	Sale of shares	-746	-0.01	3,37,140	2.61
	June 17, 2016	Sale of shares	-57	0.00	3,37,083	2.61
	January 1, 2017	Sale of shares	-3,487	-0.03	3,33,596	2.59
	March 31, 2017	Sale of shares	-450	0.00	3,33,146	2.58
	March 31, 2017	At the end of the year	0	0.00	3,33,146	2.58
Governor of Kerala	April 1, 2016	At the beginning of the year	79,980	0.62	79,980	0.62
	March 31, 2017	At the end of the year	0	0.00	79,980	0.62
Mangal Bhanshali	April 1, 2016	At the beginning of the year	75400	0.58	75400	0.58
	March 31, 2017	At the end of the year	0	0.00	75400	0.58

Name of Shareholder	Date	Reason	Shareholding at the beginning of the year April 1, 2016		Cumulative Shareholding during the year	
			No. Of shares	% of total Shares of the Company	No. Of shares	% of total Shares of the Company
SPS Finquest Limited	April 1, 2016	At the beginning of the year	0	0.00	0	0.00
	April 15, 2016	Purchase of shares	45,950	0.36	45,950	0.36
	June 3, 2016	Purchase of shares	2,600	0.02	48,550	0.38
	June 6, 2016	Purchase of shares	78	0.00	48,628	0.38
	August 24, 2016	Sale of shares	-48,628	-0.38	0	0.00
	August 26, 2016	Purchase of shares	70,190	0.54	70,190	0.54
	September 2, 2016	Purchase of shares	1,000	0.01	71,190	0.55
	September 9, 2016	Sale of shares	-393	0.00	70,797	0.55
	March 31, 2017	Sale of shares	-8,750	-0.07	62,047	0.48
	March 31, 2017	At the end of the year	0	0.00	62,047	0.48
Yonkers Finance Corporation Limited	April 1, 2016	At the beginning of the year	46,650	0.36	46,650	0.36
	March 31, 2017	At the end of the year	0	0.00	46,650	0.36
Akash Bhanshali	April 1, 2016	At the beginning of the year	44,700	0.35	44,700	0.35
	March 31, 2017	At the end of the year	0	0.00	44,700	0.35
A & N Ventures Private Limited	April 1, 2016	At the beginning of the year	42,630	0.33	42,630	0.33
	March 31, 2017	At the end of the year	0	0.00	42,630	0.33
SPS Share Brokers Pvt. Ltd.	April 1, 2016	At the beginning of the year	0	0.00	0	0.00
	May 6, 2016	Purchase of shares	15,000	0.12	15,000	0.12
	May 13, 2016	Sale of shares	-15,000	-0.12	0	0.00
	May 20, 2016	Purchase of shares	5	0.00	5	0.00
	May 27, 2016	Sale of shares	-5	0.00	0	0.00
	July 29, 2016	Purchase of shares	75	0.00	75	0.00
	August 5, 2016	Sale of shares	-55	0.00	20	0.00
	August 12, 2016	Sale of shares	-20	0.00	0	0.00
	August 19, 2016	Purchase of shares	3,780	0.03	3,780	0.03
	August 24, 2016	Sale of shares	-3,780	-0.03	0	0.00
	August 26, 2016	Purchase of shares	2,300	0.02	2,300	0.02
	September 2, 2016	Purchase of shares	30,000	0.23	32,300	0.25
	September 2, 2016	Sale of shares	-2,274	-0.02	30,026	0.23
	September 9, 2016	Purchase of shares	177	0.00	30,203	0.23
	September 9, 2016	Sale of shares	-690	-0.01	29,513	0.23
	September 16, 2016	Sale of shares	-1,122	-0.01	28,391	0.22
	September 23, 2016	Sale of shares	-81	0.00	28,310	0.22
	October 7, 2016	Purchase of shares	25	0.00	28,335	0.22
	October 14, 2016	Sale of shares	-25	0.00	28,310	0.22
	October 21, 2016	Purchase of shares	1,338	0.01	29,648	0.23
	October 21, 2016	Sale of shares	-1,050	-0.01	28,598	0.22
	October 28, 2016	Sale of shares	-2,338	-0.02	26,260	0.20
	November 4, 2016	Purchase of shares	1,252	0.01	27,512	0.21
	November 11, 2016	Purchase of shares	50	0.00	27,562	0.21
	November 11, 2016	Sale of shares	-200	0.00	27,362	0.21
	November 18, 2016	Sale of shares	-150	0.00	27,212	0.21
	January 27, 2017	Purchase of shares	549	0.00	27,761	0.22

Name of Shareholder	Date	Reason	Shareholding at the beginning of the year April 1, 2016		Cumulative Shareholding during the year	
			No. Of shares	% of total Shares of the Company	No. Of shares	% of total Shares of the Company
	February 3, 2017	Sale of shares	-549	0.00	27,212	0.21
	February 10, 2017	Purchase of shares	125	0.00	27,337	0.21
	February 17, 2017	Sale of shares	-125	0.00	27,212	0.21
	March 17, 2017	Purchase of shares	200	0.00	27,412	0.21
	March 24, 2017	Sale of shares	-200	0.00	27,212	0.21
	March 31, 2017	Purchase of shares	8,750	0.07	35,962	0.28
	March 31, 2017	At the end of the year	0	0.00	35,962	0.28
Kerala State Industrial Development Corporation	April 1, 2016	At the beginning of the year	30,363	0.24	30,363	0.24
	March 31, 2017	At the end of the year	0	0.00	30,363	0.24

v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	**At the beginning of the year**	None of the Directors and Key Managerial Personnel held shares in the Company at the beginning of the year.			
2	**Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):**	None of the Directors and Key Managerial Personnel had any transaction in the shares of the Company during the year.			
3	**At the end of the year**	None of the Directors and Key Managerial Personnel held shares in the Company at the end of the year.			

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

Rupees in Lakhs

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	14,795.85	3,579.77	--	18,375.62
(ii) Interest due but not paid	--	--	--	–
(iii) Interest accrued but not due	48.00	--	--	48.00
(iv)Premium accrued but not due on NCD	739.43			739.43
Total (i+ii+iii+iv)	**15,583.28**	**3,579.77**	**--**	**19,163.05**
Change in Indebtedness during the financial year				
• Addition	4,502.48	12,340.32	--	16,842.79
• Reduction	9,231.00	11,000.00	--	20,231.00
Net Change	**(4,728.52)**	**1,340.32**	**--**	**(3,388.20)**
Indebtedness at the end of the financial year				
(i) Principal Amount	10,067.33	4,920.09	--	14,987.42
(ii) Interest due but not paid	--	--	--	–
(iii) Interest accrued but not due	104.62	--	--	104.62
(iv) Premium accrued but not due on NCD	--	--	--	--
Total (i+ii+iii+iv)	**10,171.95**	**4,920.09**	**--**	**15,092.04**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time Director and/or Manager:

Rupees in Lakhs

Sr. No.	Particulars of Remuneration	Name of the Managing Director	Name of the Managing Director
		Mr. Ashok Barat	Mr. Mahesh Tahilyani
1	Gross salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act,1961	6.42	95.70
	(b) Value of perquisites u/s 17(2) of the Income tax Act,1961	0.07	0.37
	(c) Profits in lieu of Salary u/s 17(3)of the Income Tax Act,1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	-as % of Profit	-	-
	-others, specify	-	-
5	Others - Annual Performance Incentive	4.64	-
	Total (A)	11.13	96.07
	Ceiling as per the Companies Act, 2013	NA*	NA**

* Mr. Ashok Barat ceased to be Managing Director w.e.f April 27, 2016. The remuneration paid to him is in conformity with the approval received from Central Government vide its letter No. SRN G22720585/2016 – CL – VII dated March 28, 2017.

**The remuneration was approved by the members in the Annual General Meeting held on August 24, 2016 and is in conformity with the conditions of Notification No. 2922(E) dated September 12, 2016 issued by Ministry of Corporate Affairs and the approval received from Central Government vide its letter No. SRN G21283759/2016 – CL – VII dated March 24, 2017.

B. Remuneration to other Directors:

Rupees in Lakhs

Sr. No.	Particulars of Remuneration	Fees for attending Board/ Committee Meetings
1	**Independent Directors**	
	Mr. T. R. Doongaji (ceased to be a director w.e.f. May 4, 2016)	2.0
	Mr. Kaiwan D. Kalyaniwalla	9.5
	Mr. D. Sivanandhan	8.5
	Ms. Aslesha Gowariker	3.5
	Mr. Kannan Dasaratharaman (ceased to be a director w.e.f. May 6, 2016)	1.0
	Total (1)	**24.5**
2	**Other Non-Executive Directors**	
	Mr. Shapoor P. Mistry	1.0
	Mr. S. L. Goklaney (ceased to be a director w.e.f. June 30, 2016)	1.0
	Mr. Jimmy J. Parakh (ceased to be a director w.e.f. June 28, 2016)	1.0
	Mr. Jai L. Mavani	5.0
	Total (2)	**8.0**
	Total (B)=(1+2)	**32.5**
	Total Managerial Remuneration	Nil
	Overall Ceiling as per the Companies Act, 2013	N.A.

During the year under review the Company has not paid any Commission to any of the Directors of the Company.

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Rupees in Lakhs

Sr. No	Particulars of Remuneration	Key Managerial Personnel			
		Chief Financial Officer	Chief Financial Officer	Company Secretary	Total
		Ms. Sunetra Ganesan*	Mr. Nirmal Jagawat**	Mr. Pankaj Khattar	
1	Gross Salary				
	(a) Salary as per provision contained in Section 17 (1) of the Income tax Act,1961	35.14	24.78	53.32	113.24
	(b) Value of perquisites u/s 17(2) of the Income tax Act,1961	0.03	-	-	0.03
	(c) Profits in lieu of Salary u/s 17(3) of the Income tax Act,1961	-	-	-	-
2	Stock option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	-as % of profit	-	-	-	-
	-others specify	-	-	-	-
5	Others please specify	-	-	-	-
	Total	35.17	24.78	53.32	113.27

* Ceased to be Chief Financial Officer w.e.f. April 30, 2016

** Appointed as Chief Financial Officer w.e.f. September 30, 2016.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: There were no penalties, punishment or compounding of offences during the year ended March 31, 2017.

Business Responsibility Report FY 2016-17
[As per Regulation 34 (2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company	:	L17110MH1919PLC000628
2.	Name of the Company	:	Forbes & Company Limited
3.	Registered Address	:	Forbes' Building, Charanjit Rai Marg, Fort, Mumbai 400 001
4.	Website	:	www.forbes.co.in
5.	E-mail ID	:	investor.relations@forbes.co.in
6.	Financial Year reported	:	April 1, 2016 – March 31, 2017
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	:	NIC Code: Product Description 28221: Threading Tools 25939: Carbide Tools 41001: Realty
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	:	Manufacture of Precision Engineering Tools for Industrial Applications, Systems for Industrial usage - (Conventional and Automated) Marking and Development of Real Estate
9.	Total number of locations where business activity is undertaken by the Company (a) Number of International Locations (provide details of major 5) (b) Number of National Locations	:	Nil 3 plants, 10 offices including Registered Office, Regional Offices and Sales Offices.
10.	Markets served by the Company-Local / State / National / International	:	Middle East, Egypt, South East Asia, Europe, Latin America and Pan India

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital (INR)	:	Rs. 12.90 Crores
2.	Total Turnover (INR)	:	Rs. 283.47 Crores (Standalone) Rs. 3023.46 Crores (Consolidated)
3.	Total profit after taxes (INR)	:	Rs. 96.61 Crores (Standalone) Rs. 89.87 Crores (Consolidated)
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profits after tax (%)	:	The Company is committed to its stakeholders to conduct business in an economically, socially and environmentally sustainable manner that is transparent and ethical. The provisions of the Companies Act, 2013 (Act) relating to Corporate Social Responsibility were not applicable to the Company for the FY 2016-17. However, the Board of Directors of the Company has voluntarily constituted a Corporate Social Responsibility Committee in compliance with Section 135 of the Act. The Average Net Profits of the Company for FY 2014-15 to FY 2016-17 was Rs. 10.02 Crores. Accordingly, the Company would be spending 2% of the aforesaid amount amounting to approximately Rs. 0.20 Crore on CSR activities in FY 2017-18.
5.	List of activities in which expenditure in 4 above has been incurred		

SECTION C: OTHER DETAILS

1.	Does the Company have any Subsidiary Company/Companies	:	Yes
2.	Do the Subsidiary Company/Companies participate in BR initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	:	No. Each Company undertakes CSR activities, if applicable, separately.
3.	Do any other entity/entities (e.g suppliers, distributors etc) that the Company does business, participate in the BR initiatives of the Company ? If yes, then indicate the percentage of such entity/entities? [Less than 30 %, 30-60%, More than 60%]	:	No

SECTION D: BR INFORMATION

1.	Details of BR Head / Director responsible for BR	
(a)	Details of the Director/Directors responsible for implementation of the BR policy/policies 1. DIN Number 2. Name 3. Designation	 01423084 Mr. Mahesh Tahilyani Managing Director
(b)	Details of the BR head 1. DIN Number (if applicable) 2. Name 3. Designation 4. Telephone number 5. E-mail Id	 Not Applicable Mr. Ravi Prem Chief Operating Officer - Engineering +91 22 2847 6581 ravi.prem@forbes.co.in

2. Principle –wise (as per NVGs) BR Policy/policies

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted Nine (9) areas of Business Responsibility. These briefly are as follows:

P 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

P 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

P 3: Businesses should promote the wellbeing of all employees.

P 4: Businesses should respect the interest of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

P 5: Businesses should respect and promote human rights.

P 6: Businesses should respect, protect and make efforts to restore the environment.

P 7: Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner.

P 8: Businesses should support inclusive growth and equitable development.

P 9: Businesses should engage with and provide value to consumers and consumers in a responsible manner.

(a) Details of Compliance (Reply in Y/N)

Sr. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y

Sr. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
3	Does the policy conform to any national/international standards?	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy being approved by the Board ? If yes, has it been signed by MD/owner/CEO/appropriate Board Director. Indicate the link for the policy to be viewed online?*	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board/Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
7	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	N

*www.forbes.co.in

(b) If the answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options): There are no immediate plans to get independent audit/evaluation of the working of Policy by any internal or external agency.

3. Governance related to BR

a. **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. With 3 months, 3-6 months, Annually, more than 1 year:** FY 2016-17 was the first year of applicability of BR performance, the Company going forward plans to assess the BR performance on a periodic basis.

b. **Does the Company publish a BR or a Sustainability Report ? What is the hyperlink for viewing this report? How frequently it is published?:** FY 2016-17 was the first year for publishing BR Report. Going forward, BR Report would be published on an annual basis. The same is also available at the Company's website viz. www.forbes.co.in

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1

1. Does the policy relating to ethics, bribery and corruption cover only the company? No

Does it extend to the Group/Joint Ventures/Suppliers/Contractors /NGOs/Others? Yes

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? Nil

If so, provide details thereof, in about 50 words or so: Not Applicable

Principle 2

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and /or opportunities.

a. Spring Washers,
b. HSS Taps,
c. Carbon Taps and Dies

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc) per unit of product (optional):

a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?

i. Change in secondary packaging of Spring Washers from wooden boxes to paper based corrugated boxes, resulted in saving of 1500 kg of wood per month. Sewage treatment plant has resulted in saving of 10000 litres of water per day.

ii. Oil Extraction from Grinding Slurry Mechanism installed in HSS Taps & TCRB section resulted in 200 liters of oil saving per month.

b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

i. Replacing conventional lighting arrangements with LED lights and T5 Tube lights has saved 3024 KWH of power valuing approximately Rs. 0.38 lakhs p.a.

ii. Use of electrically operated coolant valves on compressors airlines consolidation instead of pneumatic actuated coolant valves helped in reduction of air consumption by 33637 KWH and saving of Rs. 4.21 lakhs p.a.

iii. The Company's Engineering & Auto segment customers have benefited due to the absence of the hazardous chemical viz. Cr+6 (Chromium 6) in the Electroplated Spring Washers supplied to them. The Company's customers are also being encouraged to switch to Non chrome plating Spring Washers.

3. **Does the Company have procedures in place for sustainable sourcing (including transportation) ?** Yes

   a) **If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof , in about 50 words or so.**

   Spring Washers Products requires electroplating to be done as surface treatment to avoid rusting. The Company has a policy to select plating vendors who are complaint with pollution norms and are approved by Pollution Controlled Board.

   The Company endeavours to select as far as possible vendors having Quality Management Systems (QMS) like ISO 9000 Certification. Thus ensuring seamless, defect free supplies.

4. **Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?** Yes

   a) **If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

   Most of the Job work, consumables, packing materials, maintenance spares & toolings are procured from local and small vendors. Local transportation is being done through small vendors who are devotedly working for company. Company promotes small entrepreneurs to expand their capacity and facility by helping them with technological know-how and hand holding. Many small scale vendors are exclusively working for Company.

5. **Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as < 5%, 5-10%, >10%). Also provide details thereof, in about 50 words or so.**

   Sewage treatment plant at factories has resulted in saving of approximately 10000 litres of water per day.

Principle 3

1. **Please indicate the total number of permanent employees:** 456
2. **Please indicate the total number of employees hired on temporary/contractual/casual basis:** 179
3. **Please indicate the number of permanent women employees:** 24
4. **Please indicate the number of permanent employees with disabilities:** NIL
5. **Do you have an employee association that is recognised by management:** Yes
6. **What percentage of your permanent employees is member of this recognised employee association?:** 27%
7. **Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year:** Nil
8. **What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?:** a) Permanent Employees: 88.47%; b) Permanent Women Employees: 33.33%; c) Casual /Temporary/Contractual Employees: 91.66%; d) Employees with Disabilities: Nil

Principle 4

1. **Has the Company mapped its internal and external stakeholders ?** Yes
2. **Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?** No. It is planned to be done within next 6-12 months.
3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable & marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**

   During the last 24 months the Company has implemented 'Adapt, Change, Excel'(ACE) program to be swift in business execution which covered employees & customers. The Company's vision and mission statement recognises the Company's environmental responsibility towards the well being of society and the Company endeavours to prevent and control environmental damage which may be caused due to its operations. The Company will create plan for next 12 months to cover formally all stakeholders.

Principle 5

1. **Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors /NGOs /others?** The Policy is applicable to the Company and its subsidiaries and its vendors.
2. **How many stakeholders complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?** Nil

Principle 6

1. **Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others.** The Policy is applicable to the Company and its subsidiaries and its vendors.
2. **Does the company have strategies /initiatives to address global environment issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

   The Company in order to check and prevent pollution had since last two years initiated Tree Plantation program at its factory in Waluj. In FY 2016-17, 100 Trees were planted and has targeted planting approximately 1000 plants in FY 2017-18.
3. **Does the company identify and assess potential environmental risks?** Yes
4. **Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?** Not Applicable
5. **Has the company undertaken any other initiatives on- clean technology, energy efficiency, renewable energy, etc Y/N. If yes, please give hyperlink for web page etc.** No
6. **Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?** Yes
7. **Number of show cause / legal notices received from CB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.** Nil

Principle 7

1. **Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:** Yes. Some of the organisations are Bombay Chamber of Commerce & Industry, Confederation of Indian Industry, Indian Merchants' Chamber, The Council of EU Chambers of Commerce in India and Indian Cutting Tools Manufacturer's Association.
2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No, If yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)?** Yes. The Company participates in consultations on Economic Reforms, Tax and other legislations.

Principle 8

1. **Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8 ? If yes details thereof.** No
2. **Are the programmes/projects undertaken through in-house team/ own foundation/external NGO/government structures/any other organization ?** No
3. **Have you done any impact assessment of your initiative ?** No
4. **What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken:** Not Applicable for FY 2016-17.
5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.:** CSR Provisions were not applicable for FY 2016-17.

Principle 9

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year:** Nil
2. **Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/NA /Remarks (additional information):** No, currently the Company displays information as mandated by law.
3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so provide details thereof, in about 50 words or so:** No
4. **Did your company carry out any consumer survey/consumer satisfaction trends?** No

CORPORATE GOVERNANCE REPORT

Corporate Governance Policy

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

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

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

Code of Ethics

The Company has strong legacy of fair, transparent and ethical governance practices. The Company has adopted a Code of Ethics for Board of Directors and Senior Management (the Code). The Code has been communicated to the Directors and the members of the Senior Management. The Company has also adopted a Code of Conduct for Non-Executive Directors of the Company. All Board members and senior management have confirmed compliance with the Code for the year ended March 31, 2017. The Non-Executive Directors of the Company have also confirmed compliance with the Code of Conduct for the Non-Executive Directors for the year ended March 31, 2017. The Annual Report contains a declaration to this effect signed by the Managing Director.

Code of Practices and Procedures for Fair Disclosure and Conduct

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

Board of Directors

The Board of Directors as on March 31, 2017 comprised of Six (6) Directors. The Chairman of the Board is Non-Executive. Five (5) (83%) Directors are Non-Executive and 3 (50%) of them are Independent Directors.

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

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

The Board met at least once in each quarter and the maximum time gap between two Board meetings did not exceed the time limit prescribed in Regulation 17(2) of SEBI (LODR), 2015. Ten meetings were held during the Financial Year (FY) ended March 31, 2017 on April 11, 2016, April 27, 2016, May 30, 2016, July 12, 2016, August 4, 2016, August 24, 2016, October 12, 2016, October 26, 2016, January 20, 2017 and March 17, 2017.

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

All the information required to be placed before the Board of Directors under Regulation 17 (7) of SEBI (LODR), 2015, has been duly placed. The Agenda along with explanatory notes are sent in advance to the Directors.

The names and categories of the Directors on the Board, their attendance at the Board Meetings and Annual General Meeting (AGM) held during the year, the number of Chairmanships /Directorships of all Boards excluding alternate directorship, directorship of private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013 (Act) and the Committees of Board (Chairmanship /Membership of Board Committees include only Audit Committee and Stakeholders Relationship /Investors Grievance Committee across all public limited companies (listed as well as unlisted) including those of the Company), held by them as on March 31, 2017 are as follows:

Name of Director	Category	Number of Board Meetings during 2016-2017		Attendance at AGM held on August 24, 2016	Number of shares held	Relationship with other Director	No. of Directorships in all Public Companies	No. of Committee Positions held in all Public Companies	
		Held	Attended					Chairman	Member
Mr. Shapoor P. Mistry Chairman	Non-Executive, Non-Independent	10	2	Yes	Nil	None	6	Nil	Nil
Mr. Ashok Barat $	Non-Independent, Executive	2	2	N.A.	Nil	None	N.A.	N.A.	N.A.
Mr. Mahesh Tahilyani Managing Director @	Non-Independent, Executive	8	7	Yes	Nil	None	4	Nil	2

Name of Director	Category	Number of Board Meetings during 2016-2017		Attendance at AGM held on August 24, 2016	Number of shares held	Relation-ship with other Director	No. of Directorships in all Public Companies	No. of Committee Positions held in all Public Companies	
		Held	Attended					Chairman	Member
Ms. Ameeta Chatterjee*	Non- Executive, Independent	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Mr. T.R. Doongaji**	Non- Executive, Independent	2	2	N.A.	Nil	None	N.A.	N.A.	N.A.
Mr. Kannan *** Dasaratharaman	Non- Executive, Independent	2	2	N.A.	Nil	None	N.A.	N.A.	N.A.
Mr. Jimmy J. Parakh****	Non – Executive, Non- Independent	3	2	N.A.	Nil	None	N.A.	N.A.	N.A.
Mr. S.L. Goklaney*****	Non – Executive, Non- Independent	3	2	N.A.	Nil	None	N.A.	N.A.	N.A.
Mr. Kaiwan D. Kalyaniwalla	Non-Executive, Independent	10	10	Yes	Nil	None	6	4	Nil
Mr. D. Sivanandhan	Non-Executive, Independent	10	9	Yes	Nil	None	8	1	5
Mr. Jai L. Mavani	Non-Executive, Non-Independent	10	10	Yes	Nil	None	3	Nil	Nil
Ms. Aslesha Gowariker #	Non-Executive, Independent	7	7	Yes	Nil	None	2	1	1

$ Ceased to be Managing Director w.e.f. April 27, 2016
@ Appointed as Managing Director w.e.f. April 28, 2016
* Ceased to be Director w.e.f. April 1, 2016
** Ceased to be Director w.e.f. May 4, 2016
*** Ceased to be Director w.e.f. May 6, 2016
**** Ceased to be Director w.e.f. June 28, 2016
***** Ceased to be Director w.e.f. June 30, 2016
# Appointed w.e.f. June 30, 2016

Meeting of Independent Directors

The Independent Directors meet periodically to discuss:

a) Evaluation of the performance of Non-Independent Directors and the Board as a whole.
b) Evaluation of the performance of the Chairman of the Company taking into account the views of the Executive Directors and Non Executive Directors.
c) Evaluation of quality content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

The Meeting is attended by all Independent Directors.

CEO/CFO Certification

As required by the Regulation 17(8) of SEBI (LODR), 2015, the Certificate from Mr. Mahesh Tahilyani, Managing Director and Mr. Nirmal Jagawat, Chief Financial Officer was placed before the Board of Directors at their meeting held on May 24, 2017 and adjourned meeting held on May 25, 2017.

Audit Committee

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

(i) the recommendation for appointment, remuneration and terms of appointment of auditors of the company;

(ii) review and monitor the auditor's independence and performance, and effectiveness of audit process;

(iii) examination of the financial statement and the auditors' report thereon;

(iv) approval or any subsequent modification of transactions of the company with related parties;

(v) scrutiny of inter-corporate loans and investments;

(vi) valuation of undertakings or assets of the company, wherever it is necessary;

(vii) evaluation of internal financial controls and risk management systems;

(viii) monitoring the end use of funds raised through public offers and related matters;

(ix) Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

(x) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

(xi) Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

(xii) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

(xiii) Discussion with internal auditors of any significant findings and follow up thereon;

(xiv) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

(xv) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

(xvi) To look into the reasons for substantial defaults in payments to the depositors, debentureholders, shareholders and creditors;

(xvii) To review the functioning of the Whistle Blower mechanism;

(xviii) Approval of appointment of CFO (i.e the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc of the candidate;

(xix) Reviewing, with the management, financial statements, with particular reference to:

a) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of section 134 of the Act;

b) Changes, if any, in accounting policies and practices and reasons for the same;

c) Major accounting entries involving estimates based on the exercise of judgment by management;

d) Significant adjustments made in the financial statements arising out of audit findings;

e) Compliance with listing and other legal requirements relating to financial statements;

f) Disclosure of any related party transactions; and

g) Qualification in the draft audit report.

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

Composition of Audit Committee

The Audit Committee of the Board has been constituted in compliance with the provision of Regulation 18 of SEBI (LODR), 2015 read with Section 177 of the Act. The Committee comprises of 3 members of which 2 are Independent Non-Executive Directors and 1 Executive Director. The Committee functions under the Chairmanship of Mr. Kaiwan D. Kalyaniwalla, an Independent Director. All members are financially literate and at least one member has Accounting expertise. The Audit Committee meetings are attended by Chief Financial Officer, Statutory Auditors and Head of Internal Audit and the functional heads as and when required. The Company Secretary acts as the Secretary to the Committee. The gap between two consecutive meetings was not more than four months and Audit Committee meetings were held on April 11, 2016, May 30, 2016, August 4, 2016, October 12, 2016, October 26, 2016, January 20, 2017 and March 17, 2017. The Composition of the Committee and details of meeting attended by its members is as follows:

Name	Category	No. of Meetings held	No. of Meetings attended
Mr. Kaiwan D. Kalyaniwalla Chairman $	Non-Executive, Independent	7	7
Ms. Ameeta Chatterjee*	Non- Executive, Independent	N.A.	N.A.
Mr. Ashok Barat #	Executive	1	1
Mr. Mahesh Tahilyani @	Executive	6	5
Mr. T.R. Doongaji **	Non-Executive, Independent	1	1
Mr. D. Sivanandhan ***	Non-Executive, Independent	6	6

$ Appointed as Chairman w.e.f. May 30, 2016
* Ceased to be member w.e.f. April 1, 2016
# Ceased to be member w.e.f. April 27, 2016
@ Appointed as member w.e.f. April 28, 2016
** Ceased to be member w.e.f. May 4, 2016
*** Appointed as member w.e.f. May 26, 2016

The Chairman of the Audit Committee was present at the last Annual General Meeting.

Nomination and Remuneration Committee

In compliance with Section 178 of the Act and Regulation 19 of SEBI (LODR), 2015, the Board has constituted Nomination and Remuneration Committee. The meetings of Nomination and Remuneration Committee were held on April 27, 2016 and May 30, 2016. The Composition of the Committee and details of meeting attended by its members is as follows:

Name	Category	No. of Meetings held	No. of Meetings attended
Mr. Kaiwan D. Kalyaniwalla Chairman	Non-Executive, Independent	2	2

Name	Category	No. of Meetings held	No. of Meetings attended
Mr. Shapoor P. Mistry	Non-Executive, Non-Independent	2	-
Mr. T.R. Doongaji *	Non-Executive, Independent	1	1
Mr. D. Sivanandhan	Non-Executive, Independent	2	2

* Ceased to be member w.e.f. May 4, 2016

The terms of reference of Nomination and Remuneration Committee includes:

a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

b) Formulation of criteria for evaluation of Independent Directors and the Board;

c) Devising a policy on Board diversity;

d) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal; and

e) Such other functions/duties as may be entrusted by the Board from time to time.

The Company's policy on directors' appointment and remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the Directors' Report.

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

Details of remuneration paid to Directors during the year ended March 31, 2017 are as follows:

a) Non-Executive Directors: (Rs in Lakhs)

Name of Director	Sitting Fees
Mr. Shapoor P. Mistry	1.0
Mr. S. L. Goklaney *	1.0
Mr. T. R. Doongaji**	2.0
Mr. Kaiwan D. Kalyaniwalla	9.5
Mr. D. Sivanandhan	8.5
Mr. Jimmy J. Parakh***	1.0
Mr. Jai L. Mavani	5.0
Ms. Aslesha Gowariker****	3.5
Mr. Kannan Dasaratharaman*****	1.0

* Ceased to be a Director w.e.f. June 30, 2016
** Ceased to be a as Director w.e.f. May 4, 2016
*** Ceased to be a as Director w.e.f. June 28, 2016
***** Appointed as a Director w.e.f. June 30, 2016
***** Ceased to be a as Director w.e.f. May 6, 2016

The Members had, at the Annual General Meeting held on August 2, 2013 approved the payment of remuneration by way of commission to the Non-Executive Directors of the Company, of a sum not exceeding 1% p.a of the net profits of the Company, calculated in accordance with the provisions of the Act, for a period of 5 years commencing from April 1, 2013.

The Remuneration by way of commission, if any, to the Non-Executive Directors is to be decided by the Nomination and Remuneration Committee of Board of Directors and distributed to them based on their contribution and attendance at the Board and certain committee meetings as well as time spent on operational matters other than at the meetings.

No commission was paid to any Non-executive Director during FY 2016-17.

b) Managing Director

Rs in Lakhs

Particulars	Mr. Ashok Barat*	Mr. Mahesh Tahilyani**
Salary and allowance	6.42	95.70
Benefits and Perquisites	0.07	0.37
Pension Contribution to PF & Superannuation Fund	0.89	9.29
Annual Performance Incentive	4.64	--
Total	12.02	105.36

* Ceased to be Managing Director w.e.f. April 27, 2016
** Appointed as Managing Director w.e.f. April 28, 2016. The Service Contract is for a period of 5 years effective from April 28, 2016 and is subject to retirement policy of the Company. The Notice Period is six months and there is no severance fee.

Stakeholders' Relationship Committee

In compliance with the provisions of section 178 of the Act and Regulation 20 of SEBI (LODR), 2015, the terms of reference of the 'Stakeholders Relationship Committee' includes:

a) Approval of Share Transfers / Deletion of Name/s / Transposition of Name/s, Dematerialization / Re-materialization of Shares;

b) Approval of Transmission of Shares;

c) Approval for issue of Duplicate/Replacement/Renewal of Share Certificates;

d) Resolution of grievances of the security holders; and

e) Such other functions/duties as may be entrusted by the Board from time to time.

The Composition of Stakeholders' Relationship Committee is as follows:

Name	Category
Mr. Kaiwan D. Kalyaniwalla - Chairman	Non-Executive, Independent
Mr. Ashok Barat #	Executive
Mr. Mahesh Tahilyani, @	Executive
Mr. D. Sivanandhan,	Non-Executive, Independent

Ceased to be member w.e.f. April 27, 2016
@ Appointed as member w.e.f. April 28, 2016

The Company Secretary also functions as Compliance Officer.

During the year under review, the Company did not receive any shareholder's complaints and there were no pending complaints at the end of the year. Further no transfers were pending as on March 31, 2017.

Corporate Social Responsibility Committee

The provisions of Section 135 of the Act were not applicable to the Company during Financial Year 2016-17. However the Board of Directors in good governance has constituted Corporate Social Responsibility Committee and has approved Corporate Social Responsibility Policy. The current composition of Corporate Social Responsibility Committee is as under:

Name	Category
Mr. Mahesh Tahilyani	Executive
Mr. D. Sivanandhan	Non-Executive, Independent
Ms. Aslesha Gowariker	Non-Executive, Independent

The Committee is also responsible for recommending the amount of expenditure to be incurred on the activities to be undertaken by the Company.

General Body Meetings

The details of date, time and venue of the AGMs held during the last three years till March 31, 2017 are as under:

Particulars	Date	Time	Venue
95th Annual General Meeting	August 6, 2014	4.00 p.m.	M. C. Ghia Hall, Bhogilal Hargovindas Building, 18/20 Kaikhushru Dubash Marg, (Behind Prince of Wales Museum), Mumbai 400001
96th Annual General Meeting	September 1, 2015	4.00 p.m.	Indian Merchant Chambers, Walchand Hirachand Hall, IMC Building ,4th Floor IMC Marg,Churchgate , Mumbai 400020
97th Annual General Meeting	August 24, 2016	4.00 p.m.	"Rangswar", 4th floor, Yashwantrao Chavan Pratishthan, Gen. Jagannathrao Bhosle Marg, Nariman Point, Mumbai – 400 021.

Details of Special Resolutions passed in the previous 3 AGMs

August 6, 2014	Authority to borrow upto Rs. 500 Crores.
	Authority to create charges, hypothecations, mortgages / equitable mortgages, on moveable and/or immovable properties of the Company upto Rs. 500 Crores.
	Authority to raise funds through Private Placement of Unsecured or Secured, Listed or Un-listed, Non-Convertible Bonds/Debentures upto Rs. 50 Crores.
	Amendment of Articles of Association with respect to provisions relating to affixation of common seal of the Company.
September 1, 2015	Issue of Non-Convertible Debentures through Private Placement upto Rs. 100 Crores.
	Adoption of new Articles of Association of the Company
August 24, 2016	Issue of Non-Convertible Debentures through Private Placement upto Rs. 150 Crores.
	Approval of remuneration of Mr. Ashok Barat as Managing Director.
	Appointment and Remuneration of Mr. Mahesh Tahilyani as Managing Director of the Company.

Related Party Transactions

All related party transactions entered into during the financial year were on arm's length basis and were in the ordinary course of business and does not attract the provisions of Section 188 of the Act. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at the large.

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

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

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

Vigil Mechanism/Whistle Blower Policy

Pursuant to Section 177 of the Act and Regulation 22 of SEBI (LODR), 2015, the Board has established a vigil mechanism for the Directors and employees of the Company to report genuine concerns about unethical behaviour actual or suggested fraud or violation of the Company's Code of Conduct or ethics. The Company has in place Whistle Blower Policy to provide mechanism for Director or employee of the Company to approach the Chairman of the Audit Committee. The Policy is available on the Company's website viz. www.forbes.co.in

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

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

- Shareholders' Rights: As the quarterly and half yearly financial results are published in the newspapers and are also posted on the Company's website, the same are not sent to the shareholders.
- Audit Qualifications: The Company's standalone financial statement for the financial year 2016-17 does not contain any audit qualification.
- Separate posts of Chairman and CEO: The Chairman of the Board is a Non- Executive Director. The Company has appointed Managing Director to take care of the day-to-day affairs of the Company.

Means of Communication

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

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

General Shareholders Information

AGM-Date, time and Venue	Next Annual General Meeting of the Company is scheduled on Thursday, the August 24, 2017 at 4.00 PM at Indian Merchants' Chambers, Walchand Hirachand Hall, IMC Building, 4th Floor, IMC Marg, Churchgate, Mumbai 400 020
Financial Year	The Company follows the April – March financial year.
Book Closure Date	The Register of Members and the Share Transfer Book of the Company will remain closed from Friday, August 18, 2017 to Thursday, August 24, 2017.
Listing on Stock Exchange	BSE Limited, P.J. Towers, Dalal Street, Mumbai – 400 001.
Stock Code	502865 (ISIN-INE518A01013)

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

Market price data for the shares of face value Rs.10 each are as under

Month	Forbes Shares High	Forbes Shares Low	No. of shares	BSE Index High	BSE Index Low	BSE 500 High	BSE 500 Low
April'2016	1370.00	1165.75	90,850	26,100.54	24,523.20	10,578.96	9,980.36
May'2016	1500.00	1250.00	29,096	26,837.20	25,057.93	10,816.18	10,206.43
June' 2016	1300.00	1177.75	13,192	27,105.41	25,911.33	11,045.33	10,479.26
July' 2016	1349.00	1204.00	15,462	28,240.20	27,034.14	11,633.37	11,052.72
August' 2016	1449.00	1256.00	49,049	28,532.25	27,627.97	11,880.02	11,404.92
September' 2016	1898.00	1407.00	47,043	29,077.28	27,716.78	12,083.11	11,552.51
October' 2016	2600.00	1630.00	79,336	28,477.65	27,488.30	12,032.26	11,668.62
November' 2016	2695.00	1925.00	65,182	28,029.80	25,717.93	11,926.95	10,675.77
December' 2016	2250.00	1871.50	21,549	26,803.76	25,753.74	11,249.60	10,617.28
January' 2017	2144.70	1847.00	25,933	27,980.39	26,447.06	11,825.55	11,005.66
February' 2017	1990.00	1750.00	44,946	29,065.31	27,590.10	12,270.70	11,643.62
March' 2017	1972.95	1705.00	79,731	29,824.62	28,716.21	12,650.57	12,101.74

Registrars and Share Transfer & Agents

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

TSR Darashaw Limited
6-10, Haji Moosa Patrawala Industrial Estate,
20, Dr. E.Moses Road, Near Famous Studio,
Mahalaxmi, Mumbai-400 011.
Tel.: +91 22 6656 8484
Fax.: +91 22 6656 8496
E-mail: csg-unit@tsrdarashaw.com
Website: www.tsrdarashaw.com

Share Transfer System

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

Distribution of Shareholding as on March 31, 2017

Category	No. of Shares	%
Promoters	95,25,691	73.85
Central/State Government Institutions	1,10,343	0.86
Financial Institutions/ Banks	19,055	0.14
Insurance Companies	500	0.00
Mutual Fund	392	0.00
FII & NRI/FBC	15,66,504	12.15
Public	16,76,131	13.00
Total	1,28,98,616	100.00

Distribution by size as on March 31, 2017

Holding	No. of Shareholders	No. of Shares	%Shareholders
1 to 500	11,137	7,15,581	5.55
501 to 1000	257	1,85,357	1.44
1001 to 2000	99	1,34,365	1.04
2001 to 3000	30	76,486	0.59
3001 to 4000	21	75,450	0.58
4001 to 5000	5	23,000	0.18
5001 to 10000	16	1,09,106	0.85
10001 & above	21	1,15,79,271	89.77
Total	11,586	1,28,98,616	100.00

Status of dematerialisation of shares and liquidity as on March 31, 2017

Details	No. of shares	% of Share Capital	No. of Accounts
Nationalised Securities Depository Ltd.	1,19,05,874	92.30	4,588
Central Depository Services(India) Ltd.	4,49,427	3.49	2,074
Total dematerialised	1,23,55,301	95.79	6,662
Physical	5,43,315	4.21	4,924
Total	1,28,98,616	100.00	11,586

Outstanding Employee Stock Options, GDRs, ADRs, etc.

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

Foreign exchange risk and hedging activities

The Company has a foreign exchange risk management policy for managing foreign currency exposure. The Company identifies risks and exposures to be hedged from time to time and hedges these exposures. During the year, the Company has managed foreign exchange risk and hedged in compliance with its extant foreign exchange risk management policy. The open foreign exchange exposures are reviewed at a regular interval. Note 2(x) to the standalone financial statements describes the accounting policy relating to the foreign currency transactions and translations.

Plant Locations

A7,MIDC Area
Chikalthana,
Aurangabad-431210

Plot B-13,Waluj Industrial Area
Waluj,
Aurangabad-431 133

Chandivali Estate
Saki Powai Road
Mumbai-400 072

Address for correspondence

Shareholders holding shares in physical mode are requested to direct all equity shares related correspondence /queries to TSR and only the non-shares related correspondence and complaints regarding TSR should be addressed to the Compliance Officer at the registered office of the Company. Shareholders holding shares in electronic mode (dematerialised form) should address all shares related correspondence to their respective Depository Participants only.

Auditors' Certificate

The certificate dated April 26, 2017 issued by Makarand M Joshi & Co., Practicing Company Secretaries on compliance with the Corporate Governance requirements by the Company is annexed herewith.

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

As provided under Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management Personnel have confirmed compliance with the code of conduct for Board of Directors and Senior Management for the year ended March 31, 2017.

For Forbes & Company Limited

Mahesh Tahilyani
Managing Director

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To
The Members,
Forbes & Company Limited

We have examined the compliance of conditions of corporate governance by Forbes & Company Limited ("the Company"), for the year ended on March 31, 2017, as stipulated in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the said Company with stock exchange(s).

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

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

For Makarand M. Joshi & Co.,
Practicing Company Secretaries,

Place: Mumbai
Date: April 26, 2017

Makarand Joshi
Partner
FCS No: 5533
CP No: 3662

STANDALONE FINANCIAL STATEMENTS FORMING PART OF ANNUAL REPORT OF FORBES & COMPANY LIMITED FOR THE YEAR ENDED 31ST MARCH, 2017

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF FORBES & COMPANY LIMITED

Report on the standalone Ind AS financial statements

We have audited the accompanying standalone Ind AS financial statements of **FORBES & COMPANY LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, 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 the significant accounting policies and other explanatory information.

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 Ind AS 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 accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by 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, 2017, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on other legal and regulatory requirements

1. We draw attention to Note 47(b) to the standalone Ind AS financial statements relating to loans given to The Svadeshi Mills Company Limited, aggregating ₹ 4,391.78 lakhs in respect of which full provision has been made, arising inter alia from our enquiry under section 143(1)(a) of the Act.

2. As required by section 143(3) of the Act, based on our audit we report, to the extent applicable that:

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

   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 books of account.

   d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

   e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 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 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 Ind AS financial statements - Refer Note 40 to the standalone Ind AS 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 19B to the standalone Ind AS financial statements;

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

iv. The Company has provided requisite disclosures in the standalone Ind AS financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated November 8, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016. Based on audit procedures performed and the representations provided to us by the management, we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the management - Refer Note 45 to the standalone Ind AS financial statements.

3. 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

MUMBAI, May 25, 2017

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) under 'Report on other legal and regulatory requirements' section of our report of even date to the members of Forbes & Company Limited on the standalone Ind AS financial statements for the year ended March 31, 2017)

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 **Forbes & Company Limited** ("the Company") as of March 31, 2017 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 Act.

Auditor's responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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, 2017, 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 issued by the ICAI.

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

Nilesh Shah
Partner
Membership No. 49660

MUMBAI, May 25, 2017

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 3 under 'Report on other legal and regulatory requirements' section of our report of even date to the members of Forbes & Company Limited on the standalone Ind AS financial statements for the year ended March 31, 2017)

(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 have not been physically verified by the management during the year. The Company has a system of verifying the fixed assets once in every two years. In our opinion, the frequency of verification is at reasonable intervals.

(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 of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date, except those in the table below. In respect of immovable properties of land that have been taken on lease and disclosed as prepaid assets in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement. 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.

Particulars of the land and building	Cost [deemed cost] as at March 31, 2017 (₹ in lakhs)	Carrying amount as at March 31, 2017 (₹ in lakhs)	Remarks
Freehold land and building located at Chennai admeasuring 0.538 acres and 6,084 Sq.ft, respectively.	44.34	3.58	The title deeds are in the name of FAL Industries Limited, erstwhile Company that was merged with the Company under section 391 to 394 of the Companies Act, 1956 in terms of the approval of the Honourable High Court of Judicature at Bombay.

(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.

Further, in our opinion and according to the information and explanations given to us, having regard to the nature of inventory related to the property development activity, the physical verification by way of verification of title deeds, site visits by the management and certification of extent of work completion by competent persons, are at reasonable intervals and no material discrepancies were noticed on physical verification.

(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.

(iv) The Company has not granted any loans, made investments or provided guarantees to which provisions of sections 185 and 186 of the Act apply, and hence, reporting under clause (iv) of the Order is not applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. In respect of unclaimed deposits, the Company has complied with the provisions of sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014, as amended. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Act for the Engineering Division and the Property Development Division. 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 section 148(1) of Act, 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 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, 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, cess and other material statutory dues in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.

(c) Details of dues of income-tax, sales tax, service tax, customs duty, excise duty, and, value added tax which have not been deposited as on March 31, 2017 on account of disputes are given below:

Name of statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount involved (₹ in lakhs)	Amount unpaid (₹ in lakhs)
Income-Tax Act, 1961	Income-Tax	Income-Tax Appellate Tribunal	Financial Years: 2002-03,2003-04, 2004-05	231.41	98.91
		Commissioner of Income-Tax (Appeals)	Financial Years: 1997-98,2000-01, 2012-13	145.62	118.04
The Central Excise Act, 1944	Excise Duty (including interest and penalty)	Custom Excise & Service Tax Appellate Tribunal	Financial Years:1995-96, 1999-00, 2003 to 2007	4,635.88	4,635.88
		Commissioner of Central Excise (Appeals)	December 2003 to December 2004	27.55	20.67
		Additional Commissioner of Central Excise	Financial Years: 1999-00 to 2002-03	54.99	54.99
		Deputy Commissioner of Central Excise	Financial Years: 2005-06 to 2014-15	24.71	24.71
		Assistant Commissioner of Central Excise	Financial Years: 1999-2002 to 2003-04	5.86	4.86
The Finance Act, 1994	Service Tax	Commissioner of Service Tax	Financial Years: 2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13	732.68	732.68
The Customs Act, 1962	Penalty	Commissioner (Appeals)	Financial Year: 2012-13	1.00	0.93
		Custom Excise & Service Tax Appellate Tribunal	Financial Year: 2011-12	100.00	100.00
Karnataka Tax on Entry of Goods, 1979	Entry Tax	Custom Excise & Service Tax Appellate Tribunal	Financial Years: 2001-02, 2002-03, 2003-04, 2004-05, 2006-07, 2007-08, 2008-09	76.90	38.45

Name of statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount involved (₹ in lakhs)	Amount unpaid (₹ in lakhs)
Sales Tax Laws	Sales Tax (including interest and penalty)	Sales Tax Appellate Tribunal	Financial Years: 1990-91,1991-92, 1992-93,1993-94, 1994-95,1998-99, 2001-02, 2002-03	122.28	91.62
		Joint Commissioner of Appeals Sales Tax	Financial Years: 2005-06, 2008-09, 2009-10	45.43	32.71
		Assistant Commissioner of Commercial Taxes	Financial Years: 2000-01, 2001-02, 2002-03, 2003-04, 2004-05, 2005-06	172.75	172.75
		Deputy Commissioner of Appeals	Financial Years: 1987-88, 1993-94, 1999-00, 2002-03, 2005-06, 2006-07	66.36	65.23
		Commercial Tax Officer	Financial Years: 2004-05	3.95	3.95

(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 financial institutions, banks and dues to debenture holders. The Company has not taken any loans or borrowings from government.

(ix) During the year, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us, the Company has utilized the money raised by way of term loans during the year for the purposes for which they were raised.

(x) To the best of our knowledge 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 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 Act.

(xii) The Company is not a Nidhi Company and hence, reporting under clause (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 188 and 177 of the Act, 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) 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 the Order 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 Act are not applicable.

(xvi) The Company is not required to be registered under section 45-IA 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

MUMBAI, May 25, 2017

BALANCE SHEET AS AT 31ST MARCH, 2017

Particulars No.	Note	₹ in Lakhs		As at 31st Mar, 2017 ₹ in Lakhs	As at 31st Mar, 2016 ₹ in Lakhs	As at 1st Apr 2015
Assets						
1 Non-current assets						
a) Property, plant and equipment	5			4,390.47	3,111.99	6,714.36
b) Capital work-in-progress				249.93	553.58	5.74
c) Investment Property	6			2,505.29	2,567.66	2,630.03
d) Other Intangible assets	7			58.29	91.95	108.12
e) Intangible assets under development				23.09	22.07	22.07
f) Financial Assets:						
i) Investments						
Investments in subsidiaries	8A	19,316.00			16,912.10	16,350.51
Investments in associates	8B	-			-	-
Investments in joint ventures	8C	-			500.01	500.01
Other Investments	8D	0.65			0.65	0.65
			19,316.65		17,412.76	16,851.17
ii) Loans	10A		-		6.23	15.47
iii) Other financial assets	11A		167.08		160.56	178.17
				19,483.73	17,579.55	17,044.81
g) Tax assets						
i) Deferred tax assets (net)	20		1,594.63		-	-
ii) Income tax assets (net)	24		3,031.79		3,203.23	2,834.34
				4,626.42	3,203.23	2,834.34
h) Other non-current assets	14A			688.85	782.20	1,000.79
Total Non-current assets				32,026.07	27,912.23	30,360.26
2 Current assets						
a) Inventories	12			7,395.55	3,861.00	3,705.20
b) Financial Assets:						
i) Trade receivables	9		4,034.76		4,210.92	4,714.83
ii) Cash and cash equivalents	13A		1,658.33		1,359.11	594.85
iii) Bank balances other than (ii) above	13B		64.88		64.88	123.05
iv) Loans	10B		11.23		877.74	76.37
v) Other financial assets	11B		812.90		1,346.67	516.85
				6,582.10	7,859.32	6,025.95
c) Other current assets	14B			3,949.94	565.91	613.79
				10,532.04	8,425.23	6,639.74
Assets classified as held for sale				-	3,895.59	-
Total Current assets				17,927.59	16,181.82	10,344.94
Total Assets				49,953.66	44,094.05	40,705.20
Equity and Liabilities						
Equity						
a) Equity share capital	15		1,289.86		1,289.86	1,289.86
b) Other equity	16		22,861.26		13,243.89	12,891.01
Total Equity				24,151.12	14,533.75	14,180.87
Liabilities						
1 Non-current liabilities						
a) Financial liabilities:						
i) Borrowings	17	9,998.63			8,323.07	8,195.90
ii) Other financial liabilities	18A	414.27			555.66	894.35
			10,412.90		8,878.73	9,090.25
b) Provisions	19A		345.85		327.96	364.36
c) Other non-current liabilities	21A		22.40		16.50	67.03
Total Non-current liabilities				10,781.15	9,223.19	9,521.64
2 Current liabilities						
a) Financial liabilities:						
i) Borrowings	22	4,920.09			4,239.92	1,780.06
ii) Trade payables	23	5,225.26			3,668.08	3,870.96
iii) Other financial liabilities	18B	610.69			6,961.32	8,408.95
			10,756.04		14,869.32	14,059.97
b) Provisions	19B		1,560.14		1,451.46	1,057.65
c) Current tax liabilities (net)	24		1,692.19		671.26	735.65
d) Other current liabilities	21B		1,013.02		2,909.84	1,149.42
				15,021.39	19,901.88	17,002.69
Liabilities directly associated with assets classified as held for sale				-	435.23	-
Total Current Liabilities				15,021.39	20,337.11	17,002.69
Total Liabilities				25,802.54	29,560.30	26,524.33
Total Equity and Liabilities				49,953.66	44,094.05	40,705.20

See accompanying notes forming part of the financial statements **1 to 51**

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

NILESH SHAH
Partner
Mumbai, 25th May, 2017

NIRMAL JAGAWAT
Chief Financial Officer

PANKAJ KHATTAR
Company Secretary

SHAPOOR P. MISTRY — *Chairman*
MAHESH C. TAHILYANI — *Managing Director*
KAIWAN D. KALYANIWALLA
D. SIVANANDHAN
JAI L. MAVANI
ASLESHA GOWARIKER
Directors

Mumbai, 25th May, 2017

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

	Particulars	Note No.	₹ in Lakhs	Year Ended 31st Mar., 2017 ₹ in Lakhs	*Year Ended 31st Mar., 2016 ₹ in Lakhs*
I	Revenue from operations	**25**	28,346.97		*19,940.53*
II	Other income	**26**	1,370.87		*965.10*
III	**Total Income (I + II)**			**29,717.84**	*20,905.63*
IV	**Expenses:**				
	Real estate development costs	**27**	8,820.61		*481.15*
	Cost of materials consumed	**28A**	5,903.38		*7,031.61*
	Purchases of stock-in-trade		33.55		*12.62*
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	**28B**	(3,357.94)		*(564.63)*
	Employee benefits expense	**29**	4,617.49		*3,836.56*
	Finance costs	**30**	1,235.11		*1,908.50*
	Depreciation and amortisation expense	**31**	597.63		*497.30*
	Other expenses	**32A**	8,524.54		*8,205.30*
	Total expenses (IV)			**26,374.37**	*21,408.41*
V	**Profit / (Loss) before exceptional items and tax (III - IV)**			**3,343.47**	*(502.78)*
VI	Exceptional items - Income	**32B**		**1,120.42**	*1,552.84*
VII	**Profit before tax (V + VI)**			**4,463.89**	*1,050.06*
VIII	**Tax expense:**				
	(a) Current tax	**33**	577.00		-
	(b) Deferred tax	**33**	(1,078.95)		-
				(501.95)	-
IX	**Profit after tax for the year from continuing operations (VII - VIII)**			**4,965.84**	*1,050.06*
X	**Profit / (Loss) before tax from discontinued operations**			**4,825.77**	*(734.66)*
XI	**Tax expense:**				
	(a) Current tax		623.00		-
	(b) Deferred tax		(492.52)		-
				130.48	-
XII	**Profit / (Loss) after tax for the year from discontinued operations (X - XI)**			**4,695.29**	*(734.66)*
XIII	**Profit for the year (IX + XII)**			**9,661.13**	*315.40*
XIV	**Other Comprehensive Income**				
	(i) Items that will not be reclassified to profit or loss				
	Remeasurement of the defined benefit plans (expense)			**(66.92)**	*37.48*
	(ii) Income tax relating to items that will not be reclassified to profit or loss				
	Deferred tax			**(23.16)**	-
				(43.76)	*37.48*
XV	**Total Comprehensive Income for the year (XIII + XIV)**			**9,617.36**	*352.88*
XVI	**Earning per equity share (for continuing operation):**				
	Basic and diluted earnings per equity share	**34**		**₹ 38.49**	*₹ 8.14*
XVII	**Earning per equity share (for discontinued operation):**				
	Basic and diluted earnings per equity share	**34**		**₹ 36.41**	*₹ (5.70)*
XVIII	**Earning per equity share (for continuing and discontinued operation):**				
	Basic and diluted earnings per equity share	**34**		**₹ 74.90**	*₹ 2.44*
	See accompanying notes forming part of the financial statements	**1 to 51**			

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

NILESH SHAH
Partner
Mumbai, 25th May, 2017

NIRMAL JAGAWAT
Chief Financial Officer

PANKAJ KHATTAR
Company Secretary

SHAPOOR P. MISTRY — *Chairman*
MAHESH C. TAHILYANI — *Managing Director*

KAIWAN D. KALYANIWALLA
D. SIVANANDHAN
JAI L. MAVANI
ASLESHA GOWARIKER
Directors

Mumbai, 25th May, 2017

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2017

	Note No.	Year Ended 31st Mar., 2017 ₹ in Lakhs		*Year Ended 31st Mar., 2016 ₹ in Lakhs*	
Cash flows from operating activities					
Profit for the year			**9,661.13**		*315.40*
Adjustments for -					
Income tax expense recognised in statement of profit and loss (continuing and discontinued operations)		1,200.00		-	
Deferred tax income		(1,571.47)		-	
Depreciation and amortisation expense		599.27		*801.25*	
Interest income earned on financial assets that are not designated as at fair value through profit or loss :					
(i) Bank deposits		(6.52)		*(40.96)*	
(ii) Inter-corporate deposits		(54.08)		*(49.14)*	
Finance costs		1,235.14		*1,920.89*	
Dividend Income					
(i) from long-term investments		(0.07)		*(0.06)*	
(ii) from current investments		(27.35)		*(73.45)*	
(Gain) on disposal of property, plant and equipment		(0.40)		*(0.43)*	
(Gain)/loss on disposal of current investments		(79.79)		-	
Provision for doubtful trade receivables		85.08		*122.19*	
Provision for doubtful loans and advances		1.83		*304.81*	
Provision for Contingencies		900.00		-	
Trade receivables / advances written off		18.47		*52.55*	
Gain on fair value of long-term investments in a subsidiary company		(116.41)		*(100.35)*	
Net (gain) arising on financial assets designated as at FVTPL		(59.22)		*(59.22)*	
Credit balances / excess provision written back		(655.63)		*(445.56)*	
Profit on slump sale		(5,459.26)		-	
Profit on sale of logistic business		(331.01)		-	
Net unrealised exchange loss		17.89		*0.80*	
			(4,303.53)		*2,433.32*
Exceptional items:					
- Profit on sale of Investments		(750.01)		-	
- Loss on Capital Reduction on equity shares		1,931.50		-	
- Income on settlement of disputed matters		-		*(652.05)*	
- (Reversal)/Provision for impairment in the value of the investments		(2,380.00)		*271.25*	
			(1,198.51)		*(380.80)*
			(5,502.04)		*2,052.52*
Operating profit before working capital changes			**4,159.09**		*2,367.92*
Changes in working capital:					
Movements in working capital:					
Decrease in trade and other receivables		283.54		*217.74*	
(Increase) in inventories		(3,534.55)		*(154.67)*	
(Increase) in other assets		(3,341.67)		*(281.87)*	
Increase/(decrease) in trade and other payables		2,086.87		*(452.37)*	
(Decrease)/increase in provisions		(729.67)		*413.64*	
(Decrease)/increase in other liabilities		(1,890.91)		*1,709.87*	
			(7,126.39)		*1,452.34*
Cash (used in) / generated from operations			**(2,967.30)**		*3,820.26*
Income taxes paid (net of refunds)			**(7.63)**		*(433.28)*
(a) Net cash flow (used in)/generated from operating activities			**(2,974.93)**		*3,386.98*

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2017

	Note No.	Year Ended 31st Mar., 2017 ₹ in Lakhs		*Year Ended 31st Mar., 2016 ₹ in Lakhs*	
Cash flows from investing activities:					
Payments for property, plant and equipment		(1,620.21)		*(968.02)*	
Proceeds from disposal of property, plant and equipment		75.94		*3.51*	
Proceeds from slump sale		9,250.63		-	
Purchase / subscription of long-term investments					
- in subsidiaries		(1,800.00)		*(675.00)*	
Proceeds from sale / capital reduction of long-term investments					
- Subsidiary		18.50		-	
- Joint Venture		1,250.03		-	
Purchase of current investments		(27,026.27)		*(18,542.00)*	
Proceeds from sale of current investments		27,133.41		*18,615.45*	
Loans and advances given to related parties		-		*(1,302.47)*	
Loans and advances given to related parties realised		500.00		*565.00*	
Bank balances not considered as cash and cash equivalents		57.88		*(5.93)*	
Interest received		829.44		*93.54*	
Dividend received		0.07		*0.06*	
(b) Net cash flow generated / (used in) from investing activities			**8,669.42**		*(2,215.86)*
Cash flows from financing activities:					
Proceeds from long-term borrowings		4,000.00		*6,000.00*	
Repayment of long-term borrowings		(8,069.19)		*(7,235.36)*	
Proceeds from short-term borrowings		12,782.30		*13,901.46*	
Repayment of short-term borrowings		(12,161.81)		*(11,444.36)*	
Net (decrease) in cash credit and packing credit		-		*(0.55)*	
Finance costs paid		(1,946.57)		*(1,628.05)*	
(c) Net cash flow (used in) financing activities			**(5,395.27)**		*(406.86)*
(d) Net increase in cash and cash equivalents (a + b + c)			**299.22**		*764.26*
(e) Cash and cash equivalents as at the commencement of the year			**1,359.11**		*594.85*
(f) Cash and cash equivalents as at the end of the year (d + e) (Refer Note 13A)			**1,658.33**		*1,359.11*

Notes:

1. Cash flows are reported using the indirect method, whereby Profit / (Loss) after 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. The cash flows from operating, investing and financing activities of the Company are segregated according to their nature.

See accompanying notes forming part of the financial statements **1 to 51**

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

NILESH SHAH
Partner
Mumbai, 25th May, 2017

NIRMAL JAGAWAT
Chief Financial Officer

PANKAJ KHATTAR
Company Secretary

SHAPOOR P. MISTRY — *Chairman*
MAHESH C. TAHILYANI — *Managing Director*

KAIWAN D. KALYANIWALLA
D. SIVANANDHAN
JAI L. MAVANI
ASLESHA GOWARIKER
— *Directors*

Mumbai, 25th May, 2017

Statement of changes in Equity for the year ended 31st March, 2017

₹ in Lakhs

a. Equity share capital	Amount
Balance as at 1st April, 2015	**1,289.86**
Changes in equity share capital during the year	-
Balance as at 31st March, 2016	**1,289.86**
Changes in equity share capital during the year	-
Balance as at 31st March, 2017	**1,289.86**

₹ in Lakhs

b. Other equity	Reserves and surplus			
	General reserve	Debenture redemption reserve	Retained earnings	Total
Balance at 1st April, 2015	**16,188.60**	**2,500.00**	**(5,797.59)**	**12,891.01**
Profit for the year	-	-	315.40	315.40
Other comprehensive income for the year, net of income tax	-	-	37.48	37.48
Balance at 31st March, 2016	**16,188.60**	**2,500.00**	**(5,444.71)**	**13,243.89**
Profit for the year	-	-	9,661.13	9,661.13
Other comprehensive income for the year, net of income tax	-	-	(43.76)	(43.76)
Balance at 31st March, 2017	**16,188.60**	**2,500.00**	**4,172.66**	**22,861.26**

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

NILESH SHAH
Partner
Mumbai, 25th May, 2017

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D. SIVANANDHAN
JAI L. MAVANI
ASLESHA GOWARIKER
Directors

Mumbai, 25th May, 2017

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 - Continued

1. GENERAL INFORMATION

Forbes & Company Limited ("the Company") is one of the oldest companies of the world that is still in existence. The Company traces its origin to the year 1767 when John Forbes of Aberdeenshire, Scotland started his business in India. Over the years, the Management of the Company moved from the Forbes Family to the Campbells to the Tata Group and now finally to the well known Shapoorji Pallonji Group. Its parent and ultimate holding company is Shapoorji Pallonji and Company Private Limited. The Company is mainly engaged in the Engineering and Real estate and is listed on the Bombay Stock Exchange. The address and registered office and principal place of business are disclosed in the Annual Report.

2. SIGNIFICANT ACCOUNTING POLICIES

i) Statement of Compliance

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

Upto the year ended 31st March, 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. These are the Company's first Ind AS separate financial statements. The date of transition to Ind AS is April 1, 2015. Refer Note xxiv for the details of first-time adoption exemptions availed by the Company.

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

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

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

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

These financial statements are presented in Indian Rupees (₹) which is the Company's functional currency. All amounts are rounded off to the nearest lakhs (two decimals), unless otherwise stated.

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 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.

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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 - Continued

Depreciation on property, plant and equipment has been provided on straight line method as per the useful life estimated by management, the life of the assets has been assessed based on technical certification, taking into account the nature of the assets, the estimated usage of the assets, the operating conditions of the assets, past history of replacement, anticipated technological changes, etc.

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

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

Sr. No.	Class of assets	Estimated useful life
a	Building including Investment property	Usefull life in the range of 30 - 60 years
b	Plant & Equipment	Useful life based on technical certification
c	Furniture & Fixtures	10 years
d	Vehicles	4 years
e	Office equipment, Electrical installations, Computers:-	
	- Owned	Office equipments 5 years, Electrical installations 10 years and Computers 3 years.
	- Leased	Lower of lease term and useful life as stated above
f	Buildings on leasehold land	Lower of the useful life in the range of 30 - 60 years and the lease term except in certain building useful life is based on technical certification
g	All Categories of assets costing ₹ 5,000 and less	Fully depreciated in the year of purchase

v) Capital work-in-progress

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

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.

vii) Intangible Assets

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

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

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

Research costs are charged to the statement of profit and loss as they are incurred.

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

viii) Intangible assets under development

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

ix) Impairment of Assets

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 - Continued

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 the statement of 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 the statement of profit or loss. The net gain or loss recognised in the statement of 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.

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 - Continued

determined based on the effective interest method.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments.

Derecognition of financial liabilities

The 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.

Derivative financial instruments

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

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

Offsetting financial instruments

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

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the 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

xi) Inventories

Inventories are valued at the lower of the acquisition / production cost and net realisable value. Costs of inventories are determined on weighted average basis.

Real estate development work-in-progress:-

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

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

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) 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 undiscounted amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

b) Other long-term employee 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, superannuation,
- Defined Benefit plans such as gratuity, post-retirement medical benefits and non-compete fees (eligible whole-time directors and on their demise, their spouses are

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 - Continued

entitled to medical benefits subject to certain limits and fixed monthly payment as non-compete fee)."

Defined Contribution Plans

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

In case of Provident fund, contributions are made to a Trust administered by the Company. In case of Superannuation, contributions are made to the Life Insurance Corporation of India (LIC).

Defined Benefit Plan

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity, post-retirement medical benefits and non-compete fees plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated by actuaries using the projected unit credit method.

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

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

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

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

xiv) Provisions and Contingent Liabilities

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

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

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

Onerous Contracts

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

Contingent liability is disclosed for (i) Possible obligations 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.

xv) Revenue recognition

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

Sale of goods:

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

a) the entity has transferred to the buyer the significant risks and rewards of ownership of the goods;

b) the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

c) the amount of revenue can be measured reliably;

d) it is probable that the economic benefits associated with the transaction will flow to the entity; and

e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Sales are recognised, net of estimated returns, trade discounts, VAT / Sales tax, on transfer of significant risk and rewards of ownership of the products to the customers, which is generally on despatch of goods. Export sales are recognised on the basis of Bill of lading / Airway bill.

Sale of Services:

a) Multimodal transport income and expenses in case of export handling activities is recognised at the date of bill of lading / airway bill and in case of import handling activities, when the relevant documents (i.e. delivery orders) are delivered to the customers.

b) Container freight station ground rent income is recognised on an accrual basis.

c) Income from other services is recognised as and when the services are performed.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 - Continued

Interest and Dividend Income:

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

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

xvi) Revenue from real estate contracts

In respect of property development projects undertaken by the Company, the Company follows percentage of completion method as per the Guidance Note on Accounting for Real Estate Transactions for recognising revenue from projects, based on estimation of the outcome of the project when the following are completed:

a. All critical approvals for commencement have been obtained;
b. At least 25% of development costs for the project have been incurred;
c. At least 25% of the saleable project area is secured by contracts or agreements with buyers and ;
d. At least 10% of the total revenue as per the aforementioned sale agreements have been realised in respect of each such contract and it is expected that the parties will comply with the payment terms of the contracts.

Determination of revenues under the percentage completion method necessarily involves making estimates by the Company some of which are of technical nature, concerning, where relevant, the percentage of completion, costs to completion and the expected revenue from the project and the foreseeable losses to completion.

Revenue is measured at fair value and recognized with respect to executed agreements for sale of residential units upon achieving threshold percentage of actual project cost incurred (excluding development rights) as against the total estimated cost of the project (excluding development rights).

When it is probable that total costs will exceed total revenue, the expected loss is recognised as an expense in the statement of profit and loss in the period in which such probability occurs.

xvii) Foreign Currency Transactions

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

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

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

xviii) Lease accounting

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.

Finance leases

Leases, where the lessor transfers, substantially all the risks and rewards incidental to ownership of the leased assets, are classified as finance lease.

Assets taken on finance lease are capitalised at fair value or net present value of the minimum lease payments, whichever is lower. Lease payments made are apportioned between the finance charges and reduction of the outstanding liability in respect of assets taken on lease.

xix) 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. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

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

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

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.

xx) Government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received. These are

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 - Continued

recognised in the Statement of profit and loss on a systematic basis over the period in line with the related costs.

xxi) Borrowing Costs

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

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

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

xxii) Segment Reporting

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

xxiii) Non-current assets held for sale

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

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

xxiv) First-time adoption – mandatory exceptions, optional exemptions

Overall Principle

The Company has prepared the opening balance sheet as per Ind AS as of April 1, 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to certain exceptions and certain optional exemptions availed by the Company as detailed below.

Derecognition of financial assets and financial liabilities

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2015 (the transition date).

Classification of debt instruments

The Company has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the FVTPL criteria based on the facts and circumstances that existed as of the transition date.

Assessment of embedded derivatives

The Company has assessed whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative on the basis of the conditions that existed at the later of the date it first became a party to the contract and the date when there has been a change in the terms of the contract that significantly modifies the cash flows that otherwise would be required under the contract.

Past business combinations

The Company has elected not to apply Ind AS 103 Business Combinations retrospectively to past business combinations that occurred before the transition date of 1st April, 2015.

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

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

Determining whether an arrangement contains a lease

The Company has applied Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.

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.

Investment in Subsidiaries, Associates and Joint Ventures

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

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the accounting policies, which are described in note 2, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 - Continued

sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

3.1 Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see note 3.2 below), that the directors have made in the process of applying the accounting policies and that have the most significant effect on the amounts recognised in the separate financial statements.

3.1.1. The Svadeshi Mills Company Limited (Svadeshi) is not an associate of the Company although the Company owns a 23% ownership interest (including indirect) in Svadeshi, as the Assets of Svadeshi continue to be in the hands of the Official Liquidator, High Court, Bombay. The Review Petition had been filed against the Order dated February 23, 2016 whereby the Special Leave Petition (SLP) was dismissed. The said Review Petition filed before the Hon'ble Supreme Court was dismissed vide Order dated August 26, 2016. The records of Svadeshi are in the custody of the Official Liquidator. Hence, the Company does not have significant influence over Svadeshi as Svadeshi is under liquidation.

3.1.2. Control over Shapoorji Pallonji Forbes Shipping Limited is considered by virtue of the Company's ability to appoint majority of directors on the Board of the Subsidiary.

3.2 Key sources of estimation uncertainty

3.2.1 Real Estate Development

In case of Real estate development, the Company's revenue recognition and margin recognition policy, which are set out in Note 2(xvi), are critical to how the company values the work it has carried out in each financial year and corresponding recognition of revenue and expenses. These policies require forecasts to be made of the outcomes of long-term real estate development services, which require assessments and judgements to be made mainly on sale considerations, changes in the plan/outlay of work and changes in costs.

3.2.2 Contingent Liabilities and Provisions

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

3.2.3 Useful life and residual value of Property, Plant and Equipment

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

3.2.4 Fair value measurement and valuation process

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. The management of the Company determines the appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of an asset or a liability, the company uses market-observable data to the extent it is available. Where such inputs are not available, the Company engages third party qualified valuers to perform the valuation.

3.2.5 Impairment

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

The carrying amount of investment in Forbes Technosys Limited, a subsidiary, as at 31st March, 2017 ₹ 5,729.5 Lakhs (as at 31st March, 2016 ₹ 3,865.86 Lakhs and 1st April, 2015 ₹ 3,306.64 Lakhs) and based on the valuation report there is no impairment.

4 STANDARDS ISSUED BUT NOT EFFECTIVE

In March, 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, statement of cashflows and Ind AS 102, share based payment. The amendments are applicable to the Company from 1st April, 2017.

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

Amendment to Ind AS 102:

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash settled awards and awards that include a net settlement feature in respect of withholding taxes. It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement.

The requirements of the amendment have no impact on the financial statements as the standard is not applicable to the Company.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 - Continued

5. Property, plant and equipment

₹ In Lakhs

	Land	Building and structures	Vehicles	Data processing equipments	Office equipments	Furniture and fixtures	Plant and equipment	Data processing equipments (Finance Lease)	Total
Cost or Deemed cost									
Balance as at 1st April, 2015	**164.19**	**2,982.56**	**17.60**	**9.57**	**240.96**	**141.51**	**3,156.95**	**1.02**	**6,714.36**
Additions	-	18.13	19.46	36.74	57.51	18.54	157.76	-	308.14
Disposals	-	-	-	-	1.48	0.46	1.13	-	3.07
Reclassified as held for sale	125.57	2,471.22	-	0.82	105.05	42.06	469.70	-	3,214.42
Balance as at 31st March, 2016	**38.62**	**529.47**	**37.06**	**45.49**	**191.94**	**117.53**	**2,843.88**	**1.02**	**3,805.01**
Additions	-	755.94	34.32	9.96	27.42	47.14	983.68	-	1,858.46
Disposals	-	58.64	14.24	1.77	1.30	1.20	-	-	77.15
Balance as at 31st March, 2017	**38.62**	**1,226.77**	**57.14**	**53.68**	**218.06**	**163.47**	**3,827.56**	**1.02**	**5,586.32**
Accumulated depreciation and impairment									
Depreciation expense	-	146.16	9.67	10.54	99.01	63.35	363.27	1.02	693.02
Balance as at 31st March, 2016	**-**	**146.16**	**9.67**	**10.54**	**99.01**	**63.35**	**363.27**	**1.02**	**693.02**
Eliminated on disposals of assets	-	0.16	-	1.45	-	-	-	-	1.61
Depreciation expense	-	44.74	8.99	21.05	30.23	28.69	370.74	-	504.44
Balance as at 31st March, 2017	**-**	**190.74**	**18.66**	**30.14**	**129.24**	**92.04**	**734.01**	**1.02**	**1,195.85**
Carrying Amount									
Balance as at 1st April, 2015	**164.19**	**2,982.56**	**17.60**	**9.57**	**240.96**	**141.51**	**3,156.95**	**1.02**	**6,714.36**
Balance as at 31st March, 2016	**38.62**	**383.31**	**27.39**	**34.95**	**92.93**	**54.18**	**2,480.61**	**-**	**3,111.99**
Balance as at 31st March, 2017	**38.62**	**1,036.03**	**38.48**	**23.54**	**88.83**	**71.43**	**3,093.55**	**-**	**4,390.47**

Footnotes:

1. Buildings (Cost) include: (i) Residential flats and office premises ₹ 69.54 Lakhs *(as at 31st March, 2016 ₹ 69.54 Lakhs ; as at 1st April, 2015 ₹ 69.54 Lakhs)* in respect of which Co-operative societies are yet to be formed; (ii) Shares in Co-operative Housing Societies, Association of apartment owners and in a company ₹ 0.17 Lakh *(as at 31st March, 2016 ₹ 0.17 Lakh; as at 1st April, 2015 ₹ 0.17 Lakh)*; (iii) Premises on freehold land where the Company is yet to be registered as the owner of a proportionate share in the land ₹ 28.66 Lakhs *(as at 31st March, 2016 ₹ 28.66 Lakhs; as at 1st April, 2015 ₹ 28.66 Lakhs)*; and (iv) Jointly owned Residential Premises ₹ 28.39 Lakhs *(as at 31st March, 2016 ₹ 28.39 Lakhs; as at 1st April, 2015 ₹ 28.39 Lakhs)*.
2. Plant and equipment includes assets that are jointly owned of ₹ 10.25 Lakhs *(as at 31st March, 2016 ₹ 10.25 Lakhs ; as at 1st April, 2015 ₹ 10.25 Lakhs)*.
3. Land and building with a carrying amount of ₹ 200.55 Lakhs *(as at 31st March, 2016 ₹ 3,015.35 Lakhs; as at 1st April, 2015 ₹ 3,154.89 Lakhs)* have been pledged to secure borrowings of the Company as security for bank loans under a mortgage (see Note 17).
4. Plant, equipments, furniture and fixtures with a carrying amount of ₹ 422.43 Lakhs *(as at 31st March, 2016 ₹ 689.66 Lakhs; as at 1st April, 2015 ₹ 734.06 Lakhs)* have been pledged to secure borrowings of the Company as security for bank loans under a mortgage (see Note 17).

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 - Continued

6. Investment property

₹ In Lakhs

	As at 31st Mar., 2017	*As at 31st Mar., 2016*	*As at 1st Apr., 2015*
Completed investment properties	**2,505.29**	*2,567.66*	*2,630.03*
Total	**2,505.29**	*2,567.66*	*2,630.03*

Cost or Deemed Cost	Investment Property
Balance as at 1st April, 2015	**2,630.03**
Additions	-
Disposals	-
Balance as at 31st March, 2016	**2,630.03**
Additions	-
Disposals	-
Balance as at 31st March, 2017	**2,630.03**

Accumulated depreciation and impairment	Investment Property
Depreciation expense	62.37
Balance as at 31st March, 2016	**62.37**
Depreciation expense	62.37
Balance as at 31st March, 2017	**124.74**

Carrying amount	Investment Property
Balance as at 1st April, 2015	**2,630.03**
Balance as at 31st March, 2016	**2,567.66**
Balance as at 31st March, 2017	**2,505.29**

All of the Company's investment properties are held under freehold interests.

Investment properties with a carrying amount of ₹ 152.83 Lakhs; *(as at 31st March, 2016 ₹ 165.56 Lakhs; as at 1st April, 2015 ₹ 178.30 Lakhs)* have been pledged to secure borrowings of the Company as security for bank loans under a mortgage (see Note 17).

6.1 Fair value measurement of the Company's investment properties

The fair value of the Company's investment properties as at 31st March, 2017, 31st March, 2016, and 1st April, 2015 have been arrived at on the basis of a valuation carried out as on the respective dates by V.S.Modi and Yardi Prabhu, independent valuers not related to the Company. V.S. Modi and Yardi Prabhu are 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, 2017, 31st March, 2016, and 1st April, 2015 are as follows:

₹ In Lakhs

Particulars	Level 2	Level 3	Fair value as at 31st March, 2017
Andhra Pradesh - Land	-	44.35	44.35
Delhi - Building	-	179.30	179.30
Gujarat - Land & Building	-	470.24	470.24
Kerala - Building	-	768.66	768.66
Maharashtra - Land & Building	-	63,165.97	63,165.97
Tamil Nadu - Land & Building	-	228.61	228.61
West Bengal - Building	-	590.28	590.28
Total	**-**	**65,447.41**	**65,447.41**

Particulars	Level 2	Level 3	Fair value as at 31st March, 2016
Andhra Pradesh - Land	-	42.23	42.23
Delhi - Building	-	171.15	171.15
Gujarat - Land & Building	-	447.74	447.74
Kerala - Building	-	736.48	736.48
Maharashtra - Land & Building	-	60,911.20	60,911.20
Tamil Nadu - Land & Building	-	218.61	218.61
West Bengal - Building	-	552.01	552.01
Total	**-**	**63,079.42**	**63,079.42**

Particulars	Level 2	Level 3	Fair value as at 1st April, 2015
Andhra Pradesh - Land	-	42.23	42.23
Delhi - Building	-	154.85	154.85
Gujarat - Land & Building	-	403.31	403.31
Kerala - Building	-	694.56	694.56
Maharashtra - Land & Building	-	58,077.65	58,077.65
Tamil Nadu - Land & Building	-	191.23	191.23
West Bengal - Building	-	512.74	512.74
Total	**-**	**60,076.57**	**60,076.57**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 - Continued

7. Other intangible assets

₹ In Lakhs

	Software / Licences acquired
Cost or Deemed cost	
Balance as at 1st April, 2015	**108.12**
Additions	37.41
Disposals	-
Reclassified as held for sale	6.59
Balance as at 31st March, 2016	**138.94**
Additions	-
Disposals	-
Balance as at 31st March, 2017	**138.94**

Accumulated depreciation and impairment	
Depreciation expense	46.99
Balance as at 31st March, 2016	**46.99**
Depreciation expense	33.66
Balance as at 31st March, 2017	**80.65**

Carrying Amount	
Balance as at 1st April, 2015	**108.12**
Balance as at 31st March, 2016	**91.95**
Balance as at 31st March, 2017	**58.29**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 - Continued

8. Non Current Investments

8A. Investments in Subsidiaries

₹ In Lakhs

Particulars	As at 31st Mar., 2017		*As at 31st Mar., 2016*		*As at 1st Apr., 2015*	
	Qty	**Amount**	*Qty*	*Amount*	*Qty*	*Amount*
Unquoted Investments (all fully paid)						
a) Equity Instruments (at cost less impairment)						
1. Equity shares of SGD 1 each in Forbes Container Lines Pte. Limited *[Provision for impairment in value as at 31.03.2016 ₹ 271.26 Lakhs and as at 01.04.2015 ₹ Nil]* (Refer Note 3 below)	-	-	*8,64,960*	*0.00*	*8,64,960*	*271.26*
2. Equity shares of ₹ 100 each in Volkart Fleming Shipping and Services Limited	50,385	6.82	*50,385*	*6.82*	*50,385*	*6.82*
3. Equity shares of ₹ 10 each in Forbes Campbell Finance Limited	38,64,131	1,781.78	*38,64,131*	*1,781.78*	*38,64,131*	*1,781.78*
4. Equity components in 0.1% Optionally Convertible Redeemable Debentures of Forbes Campbell Finance Limited	-	1,686.26	-	*1,686.26*	-	*1,686.26*
5. Equity shares of ₹ 10 each in Eureka Forbes Limited	37,28,000	4,067.86	*37,28,000*	*4,067.86*	*37,28,000*	*4,067.86*
6. Equity shares of ₹ 10 each in Forbes Technosys Limited	1,50,00,000	1,500.00	*1,50,00,000*	*1,500.00*	*1,00,00,000*	*1,000.00*
7. Equity shares of ₹ 10 each in Campbell Properties & Hospitality Services Limited	4,87,500	180.00	*4,87,500*	*180.00*	*50,000*	*5.00*
8. Equity shares of ₹ 10 each in Shapoorji Pallonji Forbes Shipping Limited [Provision for impairment in value ₹ Nil; *(As at 31.03.2016 ₹ 2,380.00 Lakhs and as at 01.04.2015 ₹ 2,380.00 Lakhs)*] (Refer Note 1 below)	2,05,00,000	2,050.00	*4,00,00,000*	*1,620.00*	*4,00,00,000*	*1,620.00*
9. Equity components in Zero Percent Redeemable Preference Shares of Shapoorji Pallonji Forbes Shipping Limited	-	2,770.17	-	*2,770.17*	-	*2,770.17*
10. Equity component in Financial Guarantee given to Forbes Technosys Limited	-	225.08	-	*165.86*	-	*106.64*
11. Equity components in 10% Non Cumulative Non Convertible, Non Participating Preference Shares of ₹ 10 each in Forbes Technosys Limited	-	1,532.72	-	-	-	-
b) Preference Shares (at fair value through profit or loss)						
1. 8% Cumulative Optionally Convertible Preference Shares of ₹ 10 each in Forbes Technosys Limited	20,00,000	200.00	*20,00,000*	*200.00*	*20,00,000*	*200.00*
2. 8% Cumulative Compulsory Convertible, Optionally Redeemable Preference Shares of ₹ 10 each in Forbes Technosys Limited	2,00,00,000	2,000.00	*2,00,00,000*	*2,000.00*	*2,00,00,000*	*2,000.00*
3. 10% Non Cumulative Non Convertible, Non Participating Preference Shares of ₹ 10 each in Forbes Technosys Limited (at amortised cost)	50,00,000	271.70	-	-	-	-
4. Zero Percent Redeemable Preference Shares of ₹ 10 each in Shapoorji Pallonji Forbes Shipping Limited (at amortised cost)	3,09,00,000	723.15	*3,09,00,000*	*645.67*	*3,09,00,000*	*576.31*
c) Debentures (at fair value through profit or loss)						
1. 0.1% Optionally Convertible Redeemable Debentures of ₹ 10 each in Forbes Campbell Finance Limited	1,72,67,500	320.46	*1,72,67,500*	*287.68*	*1,72,67,500*	*258.41*
TOTAL INVESTMENTS		**19,316.00**		*16,912.10*		*16,350.51*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 - Continued

8B. Investments in associates

₹ In Lakhs

Particulars	As at 31st Mar., 2017		*As at 31st Mar., 2016*		*As at 1st Apr., 2015*	
	Qty	Amount	*Qty*	*Amount*	*Qty*	*Amount*
Unquoted Investments (all fully paid)						
Equity Instruments (at cost less impairment)						
1. Equity shares of ₹ 10 each in Neuvo Consultancy Services Private Limited[Provision for impairment in value ₹ 5.88 Lakhs; *(As at 31.03.2016 ₹ 5.88 Lakhs and as at 01.04.2015 ₹ 5.88 Lakhs)*]	58,849	-	*58,849*	-	*58,849*	-
TOTAL INVESTMENTS		-		-		-

8C. Investments in joint ventures

₹ In Lakhs

Particulars	As at 31st Mar., 2017		*As at 31st Mar., 2016*		*As at 1st Apr., 2015*	
	Qty	Amount	*Qty*	*Amount*	*Qty*	*Amount*
Unquoted Investments (all fully paid)						
Equity Instruments (at cost less impairment)						
1. Equity shares of USD 1 each in Edumetry Inc. USA *[Provision for impairment in value as at 1st April, 2015 ₹ 35.48 Lakhs]*	-	-	-	-	*2,500*	*0.00*
2. Equity shares of ₹ 10 each in Shapoorji Pallonji Bumi Armada Offshore Limited (formerly known as Forbes Bumi Armada Offshore Limited) (Refer Note 2 below)	-	-	*50,00,100*	*500.01*	*50,00,100*	*500.01*
TOTAL INVESTMENTS		-		*500.01*		*500.01*

8D. Other investments

₹ In Lakhs

Particulars	As at 31st Mar., 2017		*As at 31st Mar., 2016*		*As at 1st Apr., 2015*	
	Qty	Amount	*Qty*	*Amount*	*Qty*	*Amount*
Unquoted Investments (all fully paid)						
Equity Instruments (at fair value through profit / loss)						
1. Equity shares of ₹ 10 each in New India Co-operative Bank Limited	5,500	0.55	*5,500*	*0.55*	*5,500*	*0.55*
2. Equity shares of ₹ 500 each in Tuticorin Chamber of Commerce	10	0.00	*10*	*0.00*	*10*	*0.00*
3. Equity Shares of ₹ 10 each in Simar Port Private Limited	1,000	0.10	*1,000*	*0.10*	*1,000*	*0.10*
4. Equity shares of ₹ 10 each in The Svadeshi Mills Company Limited	4,20,170	0.00	*4,20,170*	*0.00*	*4,20,170*	*0.00*
5. Equity shares of SGD 1 each in Forbes Container Lines Pte. Limited (Refer Note 3 below)	8,64,960	0.00	-	-	-	-
6. Equity shares of USD 1 each in Edumetry Inc. USA	2,500	0.00	*2,500*	*0.00*	-	-
TOTAL INVESTMENTS		**0.65**		*0.65*		*0.65*

Note:

1. During the year the Board of Directors of the Company had given their acceptance for a scheme of Capital reduction in Shapoorji Pallonji Forbes Shipping Limited ("SPFSL"), a subsidiary of the Company where by 1,95,00,000 equity shares of ₹ 10 each were to be cancelled out of aggregate investment of 4,00,00,000 equity shares held by the Company. A Company scheme petition was filed by SPFSL in the High Court of Judicature at Bombay on 2nd September, 2016. The scheme was approved by the Honorable Bombay High Court vide order dated 2nd December, 2016. Accordingly, Company has recognized ₹ 1,931.50 Lakhs as loss on capital reduction of investment in equity shares and correspondingly, reversed the existing provisions of ₹ 2,380.00 Lakhs. The same has been disclosed as an exceptional item in the Statement of Profit & Loss for the year ended 31st March, 2017 (Refer Note 32B).

2. The Board of Directors of the Company at its meeting held on 12th October, 2016, had approved sale of its entire shareholding (50.001%) in Shapoorji Pallonji Bumi Armada Offshore Limited (formerly known as Forbes Bumi Armada Offshore Limited), a joint venture with Bumi Armada Berhad to Shapoorji Pallonji Oil and Gas Private Limited ("SPOGPL") at a price of ₹ 1,250.00 Lakhs. The Company has executed "Share Transfer Agreement" and transferred the entire shareholding to SPOGPL and recognized profit of ₹ 750.01 Lakhs during the year. The same has been disclosed as an exceptional item in the Statement of Profit & Loss for the year ended 31st March, 2017 (Refer Note 32B).

3. Forbes Container Line Pte. Ltd., Singapore ("FCLPL"), a foreign subsidiary of the Company has been ordered to be wound by the High Court of Republic of Singapore on 19th August, 2016. An official liquidator has been appointed by the court. As on 31st March, 2017, Company has made full provision for investments made and loans given to FCLPL.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 - Continued

8E. Category-wise investments – as per Ind AS 109 classification

₹ In Lakhs

Particulars	As at 31st Mar., 2017	As at 31st Mar., 2016	As at 1st Apr., 2015
Financial assets carried at fair value through profit or loss (FVTPL)			
Preference shares	3,194.85	2,845.67	2,776.31
Equity Instruments	0.65	0.65	0.65
Debentures	320.46	287.68	258.41
	3,515.96	3,134.00	3,035.37
Financial assets carried at cost less impairment			
Equity components in preference shares	4,302.89	2,770.17	2,770.17
Equity components in financial guarantee	225.08	165.86	106.64
Equity shares (Unquoted)	11,272.72	11,342.73	10,938.99
	15,800.69	14,278.76	13,815.80
Total	**19,316.65**	17,412.76	16,851.17
Footnote:			
Aggregate amount of unquoted investments (net of impairment)	**19,316.65**	17,412.76	16,851.17
Aggregate amount of impairment in value of investments	**463.00**	2,843.00	2,571.75

9. Trade receivables

₹ In Lakhs

Particulars	As at 31st Mar, 2017	As at 31st Mar, 2016	As at 1st Apr, 2015
Trade receivables			
a) Unsecured, considered good	**4,034.76**	4,210.92	4,714.83
b) Doubtful	**713.94**	641.31	575.79
Allowance for doubtful debts (expected credit loss allowance)	**713.94**	641.31	575.79
Total	**4,034.76**	4,210.92	4,714.83

9.1 Trade receivables

Debts due by private companies in which a director is a director / member (₹ in Lakhs)	**2.04**	5.08	3.59

The average credit period on sales is 75 days. No interest is charged on trade receivables overdue. The Company has generally recognised an allowance for doubtful debts at 50% against receivables between 180 -365 days and 100% against doubtful receivables and certain receivables over 365 days .

There are no customers who represent more than 5% of the total balance of trade receivables.

Trade receivables disclosed above include amounts (see below for aged analysis) that are past due at the end of the reporting period for which the Company has not recognised an allowance for doubtful debts because there has not been a significant change in credit quality and the amounts are still considered recoverable.

Age of receivables that are past due but not impaired

₹ In Lakhs

Particulars	As at 31st Mar, 2017	As at 31st Mar, 2016	As at 1st Apr, 2015
Not Due	**2,558.57**	2,152.33	2,916.19
0 - 90	**991.98**	1,574.22	815.72
91 - 180	**136.36**	210.53	544.37
181 - 365	**87.95**	46.11	68.80
Above 365 Days	**259.90**	227.73	369.75
Total	**4,034.76**	4,210.92	4,714.83

Movement in the allowance for doubtful debts

₹ In Lakhs

Particulars	Year Ended 31st Mar., 2017	Year Ended 31st Mar., 2016
Balance at beginning of the year	**641.31**	575.79
Impairment losses recognised on receivables	**131.24**	145.05
Amounts written off during the year as uncollectible	**(12.46)**	(30.02)
Amounts recovered during the year	**(46.15)**	(49.51)
Balance at end of the year	**713.94**	641.31

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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 - Continued

As at 31st March, 2017, trade receivables of ₹ 713.94 Lakhs *(as at 31st March, 2016 ₹ 641.31 Lakhs ; as at 1st April, 2015 ₹ 575.79 Lakhs)* were impaired. The amount of the provision was ₹ NIL as at 31st March, 2017 *(as at 31st March, 2016 ₹ 10.13 Lakhs; as at 1st April, 2015 ₹ NIL)*. 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 — ₹ In Lakhs

Particulars	As at 31st Mar, 2017	As at 31st Mar., 2016	As at 1st Apr., 2015
< 180 days	-	11.59	-
> 180 days	713.94	629.72	575.79
Total	713.94	641.31	575.79

10. Loans

10A. Non Current

a) Loans to related parties			
- Unsecured, considered doubtful	72.53	72.53	72.53
Less : Allowance for bad and d doubtful loans	72.53	72.53	72.53
sub total (a)	-	-	-
b) Loans and advances to employees			
- Unsecured, considered good	-	6.23	15.47
sub total (b)	-	6.23	15.47
c) Loans to others			
- Secured, considered doubtful	4,391.78	4,391.78	4,716.78
- Unsecured, considered doubtful	-	-	39.48
Less : Allowance for bad and doubtful loans	4,391.78	4,391.78	4,756.26
sub total (c)	-	-	-
Total (a+b+c)	-	6.23	15.47

10B. Current

a) Loans to related parties			
- Unsecured, considered good	-	500.00	65.00
- Doubtful	-	302.47	-
Less : Allowance for bad and doubtful loans	-	302.47	-
sub total (a)	-	500.00	65.00
b) Loans and advances to employees			
- Unsecured, considered good	11.23	12.75	11.37
- Doubtful	2.78	2.40	0.82
Less : Allowance for doubtful loans and advances	2.78	2.40	0.82
sub total (b)	11.23	12.75	11.37
c) Loans to others			
- Secured, considered good	-	364.99	-
- Doubtful	302.47	-	-
Less : Allowance for bad and doubtful loans	302.47	-	-
sub total (c)	-	364.99	-
Total (a+b+c)	11.23	877.74	76.37

Note: The above loans are carried at amortised cost.

11. Other financial assets

11A. Non current — ₹ in Lakhs

Particulars	As at 31st Mar, 2017	As at 31st Mar., 2016	As at 1st Apr., 2015
a) Security deposits			
- Unsecured, considered good	162.08	97.68	177.02
- Doubtful	9.80	9.80	9.80
Less : Allowance for bad and doubtful deposits	9.80	9.80	9.80
sub total (a)	162.08	97.68	177.02
b) Balance held as margin money with banks with remaining maturity period of more than 12 months			
- Unsecured, considered good	5.00	62.88	1.15
sub total (b)	5.00	62.88	1.15
Total (a+b)	167.08	160.56	178.17

11B. Current

a) Accruals:			
i) Interest accrued on deposits with bank	0.66	1.04	2.77
ii) Interest accrued on investments	0.68	0.68	0.68
iii) Interest accrued on loans	-	652.05	-
sub total (a)	1.34	653.77	3.45
b) Security deposits			
- Unsecured, considered good	6.46	99.33	9.74
sub total (b)	6.46	99.33	9.74
c) Contractually reimbursable expenses			
- Unsecured, considered good	-	71.90	112.28
- Doubtful	-	-	6.62
Less : Allowance for doubtful debts	-	-	6.62
sub total (c)	-	71.90	112.28
d) Contractually reimbursable expenses from related parties	798.98	501.71	310.93
sub total (d)	798.98	501.71	310.93
e) Other current receivables			
- Unsecured, considered good	6.12	19.96	80.45
sub total (e)	6.12	19.96	80.45
Total (a+b+c+d+e)	812.90	1,346.67	516.85

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 - Continued

12. Inventories

₹ in Lakhs

Particulars	As at 31st Mar, 2017	*As at 31st Mar., 2016*	*As at 1st Apr., 2015*
Inventories (lower of cost and net realisable value)			
Raw materials	**1,148.80**	*983.36*	*1,384.55*
Work-in-progress	**384.35**	*360.03*	*430.52*
Finished goods	**782.63**	*725.89*	*573.26*
Stock-in-trade	**0.28**	*3.53*	*2.19*
Stores and spares	**274.91**	*263.74*	*271.38*
Real estate work-in-progress	**4,804.58**	*1,524.45*	*1,043.30*
Total	**7,395.55**	*3,861.00*	*3,705.20*

Refer Note 27, 28 A for details of cost of inventories recognised as an expense during the year in respect of continuing operations.

The cost of inventories recognised as an expense includes ₹ (-) 93.12 Lakhs *(for the year ended 31st March, 2016: ₹ 261.60 Lakhs)* in respect of (write-back)/write-downs of inventory to net realisable value. Previous write-downs have been reversed as a result of increased sales prices in certain markets.

13. 13A. Cash and cash equivalents

Balances with Banks			
a) In current accounts	**178.04**	*582.36*	*581.04*
b) In deposit accounts (with original maturity upto 3 months)	**1.28**	*755.00*	-
	179.32	*1,337.36*	*581.04*
Cheques, drafts on hand	**1,472.27**	*16.32*	*9.86*
Cash on hand	**6.74**	*5.43*	*3.95*
Total	**1,658.33**	*1,359.11*	*594.85*

13B. Other Bank balances

a) Earmarked accounts: - Unpaid dividends	**0.00**	*0.00*	*2.37*
b) Balances held as margin money / under lien with remaining maturity of less than 12 months	**64.88**	*64.88*	*120.68*
Total	**64.88**	*64.88*	*123.05*

14. Other assets

14A. Non Current

₹ in Lakhs

Particulars	As at 31st Mar, 2017	*As at 31st Mar., 2016*	*As at 1st Apr., 2015*
a) Capital Advances	**112.77**	*148.85*	*125.38*
b) Prepaid expenses	**5.92**	*13.29*	*13.86*
c) Prepaid lease hold assets (Refer Note 1 below)	**24.06**	*24.53*	*541.81*
d) Balances with statutory / government authorities			
- Unsecured, considered good	**137.81**	*537.37*	*261.58*
- Doubtful	**46.69**	*46.69*	*46.69*
Less : Allowance for doubtful balances	**46.69**	*46.69*	*46.69*
	137.81	*537.37*	*261.58*
e) Advance wealth tax	**408.29**	*58.16*	*58.16*
Total	**688.85**	*782.20*	*1,000.79*

14B. Current

a) Advances for supply of goods and services			
- Unsecured, considered good	**201.35**	*260.35*	*142.42*
- Doubtful	**21.41**	*22.29*	*15.91*
Less : Allowance for doubtful advances	**21.41**	*22.29*	*15.91*
	201.35	*260.35*	*142.42*
b) Prepaid expenses	**139.43**	*86.90*	*195.06*
c) Prepaid lease hold assets (current) (Refer Note 1 below)	**0.46**	*0.46*	*0.46*
d) Balances with statutory / government authorities	**383.48**	*124.91*	*155.85*
e) Export incentives receivables	**129.65**	*90.29*	*117.25*
f) Unbilled Revenue	**-**	*3.00*	*2.75*
g) Amount due from customers	**3,095.57**	-	-
Total	**3,949.94**	*565.91*	*613.79*

Note:

1. Leasehold land with a carrying amount of ₹ Nil *(as at 31st March, 2016 ₹ 125.57 Lakhs; as at 1st April, 2015 ₹ 125.57 Lakhs)* have been pledged to secure borrowings of the Company (see Note 17). The same have been pledged as security for bank loans under a mortgage. The Company is not allowed to pledge these assets as security for other borrowings or to sell them to another entity.

15. Equity share capital

Authorised Share capital :			
1,50,00,000 fully paid equity shares of ₹ 10 each	**1,500.00**	*1,500.00*	*1,500.00*
Issued, subscribed and paid-up share capital:			
1,28,98,616 fully paid equity shares of ₹ 10 each *(as at 31st March, 2016: 1,28,98,616; as at 1st April, 2015: 1,28,98,616)*	**1,289.86**	*1,289.86*	*1,289.86*
	1,289.86	*1,289.86*	*1,289.86*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 - Continued

15.1 Fully paid equity shares

Particulars	Number of shares	Share Capital ₹ in Lakhs
Balance as at 1st April, 2015	**1,28,98,616**	**1,289.86**
Movements	-	-
Balance as at 31st March, 2016	**1,28,98,616**	**1,289.86**
Movements	-	-
Balance as at 31st March, 2017	**1,28,98,616**	**1,289.86**

Rights, preferences and restrictions attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. 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.

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

Particulars	Fully paid ordinary shares		
	As at 31st Mar, 2017	*As at 31st Mar., 2016*	*As at 1st Apr., 2015*
Balance at the beginning of the period :			
Shapoorji Pallonji and Company Private Limited, the holding company	**93,59,293**	*93,59,293*	*93,59,293*
Forbes Campbell Finance Limited, subsidiary of the company	**1,66,398**	*1,66,398*	*1,66,398*
Total	**95,25,691**	*95,25,691*	*95,25,691*

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

Particulars	As at 31st Mar, 2017		*As at 31st Mar, 2016*		*As at 1st Apr, 2015*	
	Number of shares held	**% holding in the class of shares**	*Number of shares held*	*% holding in the class of shares*	*Number of shares held*	*% holding in the class of shares*
Fully paid equity shares						
Shapoorji Pallonji and Company Private Limited	**93,59,293**	**72.56**	*93,59,293*	*72.56*	*93,59,293*	*72.56*
India Discovery Fund Limited	**11,48,255**	**8.90**	*11,48,255*	*8.90*	*11,48,255*	*8.90*
Total	**1,05,07,548**	**81.46**	*1,05,07,548*	*81.46*	*1,05,07,548*	*81.46*

15.4 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.

16. Other equity **₹ in Lakhs**

Particulars	As at 31st Mar, 2017	*As at 31st Mar., 2016*	*As at 1st Apr., 2015*
a) General reserve (Refer Note 1 below)			
Balance at beginning of the year	**16,188.60**	*16,188.60*	
Movements	-	-	
Balance at end of the year	**16,188.60**	*16,188.60*	*16,188.60*
b) Debenture redemption reserve (Refer Note 2 below)			
Balance at beginning of the year	**2,500.00**	*2,500.00*	
Movements	-	-	
Balance at end of the year	**2,500.00**	*2,500.00*	*2,500.00*
c) Retained earnings			
Balance at beginning of year	**(5,444.71)**	*(5,797.59)*	
Profit for the year	**9,661.13**	*315.40*	
Other comprehensive income	**(43.76)**	*37.48*	
Balance at end of the year	**4,172.66**	*(5,444.71)*	*(5,797.59)*
Total	**22,861.26**	*13,243.89*	*12,891.01*

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.

Note 2:

The Company has issued Redeemable Non-convertible Debentures. Accordingly, the Companies (Share Capital and Debenture) Rules, 2014 (as amended), requires the Company to create Debenture Redemption Reserve out of profits of the Company available for payment of dividend for an amount equal to 25% of the value of debentures issued.

In respect of the year ended 31st March, 2017, the directors in their meeting held on 24th May, 2017, proposed that a dividend of ₹ 2.50 per share be paid on fully paid equity shares. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The proposed equity dividend is payable to all holders of fully paid equity shares. The total estimated equity dividend to be paid is ₹ 322.47 Lakhs. Dividend distribution tax on proposed dividend being ₹ 65.64 Lakhs.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 - Continued

17. Non-current Borrowings

₹ in Lakhs

Particulars	Non-current portion			Current maturities		
	As at 31st Mar, 2017	*As at 31st Mar, 2016*	*As at 1st Apr, 2015*	**As at 31st Mar, 2017**	*As at 31st Mar, 2016*	*As at 1st Apr, 2015*
Secured – at amortised cost						
(a) Debentures (Refer Footnote 1)						
Redeemable Non-Convertible Debentures - Secured by mortgage of premises being the land and factory situated at Waluj, Aurangabad together with plant and machinery and other support facilities.	**9,963.74**	*5,968.96*	*3,963.55*	**-**	*3,997.09*	*5,989.33*
(b) Term loans						
From banks						
i) Federal Bank Limited - Secured by first exlusive charge by way of Equitable Mortgage of 11 flats along with part basement and part garages in "Volkart House", Mumbai [Repayable in half yearly installments of ₹ 500 Lakhs each. First installment was due in July, 2014 and last installment was due in January, 2017. Rate of interest in the range of 9.88% p.a. to 10.45% p.a.]	**-**	-	*1,008.06*	**-**	*999.19*	*988.87*
ii) Export Import Bank of India - PEFP Loan - Secured by an exclusive charge by way of hypothecation of the specific movable fixed assets of the Company. [Repayable in quarterly installments of ₹ 17.30 Lakhs each. First installment was due in August, 2012 and last installment is due in August, 2018. Rate of interest in the range of 11.00% p.a to 12.00% p.a.]	**34.89**	*104.65*	*174.24*	**68.70**	*67.83*	*67.00*
iii) DCB Bank Limited Term Loan -I - Secured by an exclusive charge by way of mortgage on the company's immovable property - Freehold Land parcel utilised as Container Freight Station (CFS) admeasuring 14.15 acres along with building & construction thereon both present and future, situated at village Veshvi, Taluka Uran, District Raigad, Sub-District Panvel, Maharashtra. [Repayable in quarterly installments of ₹ 375 Lakhs each. First installment is due in January, 2017 and last installment is due in October, 2017, account foreclosed in the year. Rate of interest in the range of 10.79% p.a. to 11.00% p.a.]	**-**	*1,124.73*	*1,498.29*	**-**	*374.26*	-
iv) DCB Bank Limited Term Loan -II - Secured by an exclusive charge by way of mortgage on the company's immovable property. Leasehold Land parcel utilised as Container Freight Station (CFS) admeasuring 25.00 acres along with building & construction thereon both present and future, situated at Adani Past Special Economic Zone (APSEZ), Mundra, District Kutch, Gujarat. [Repayable in quarterly installments of ₹ 375 Lakhs each. First installment is due in January, 2017 and last installment is due in October, 2017, account foreclosed in the year. Rate of interest in the range of 10.85% p.a. to 11.00% p.a.]	**-**	*1,124.73*	*1,498.29*	**-**	*374.26*	-
From others						
i) Tata Capital Financial Services Limited - Secured by first and exclusive charge by way of hypothecation on the assets acquired through facility. [Repayable in monthly equated installments. First installment was due in November, 2012 and last installment is due in August, 2016, account foreclosed in the year FY 2015-16. Rate of interest 11.50% p.a.]	**-**	-	*53.47*	**-**	-	*112.11*
	9,998.63	*8,323.07*	*8,195.90*	**68.70**	*5,812.63*	*7,157.31*
(c) Finance lease obligations - Secured by Computer Hardware financed [Repayable in quarterly equated installments. First installment was due in July, 2011 and last installment is due in December, 2015. Rate of Interest in the range of 7.68% to 9.33 % p.a.]	**-**	-	-	**-**	-	*19.39*
	9,998.63	*8,323.07*	*8,195.90*	**68.70**	*5,812.63*	*7,176.70*
Less: Amount disclosed under "Other current financial liabilities"	**-**	-	-	**(68.70)**	*(5,812.63)*	*(7,176.70)*
Total Non-current borrowings	**9,998.63**	*8,323.07*	*8,195.90*	**-**	-	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 - Continued

Footnote:

1. Details of Redeemable Non-Convertible Debentures issued by the Company:

₹ in Lakhs

Sr. No.	Face Value per Debenture and Date of Allotment	As at 31.03.2017 ₹ in Lakhs	*As at 31.03.2016 ₹ in Lakhs*	*As at 01.04.2015 ₹ in Lakhs*	Coupon	Terms of Repayment
1	1,00,00,000 - 13th September, 2012	-	-	*6,000.00*	11% payable annually	Put / call option at the end of 36 months from the date of allotment. In case the put or call option is not exercised, then the debentures will be redeemed at par as: 30% at the end of 36 months i.e. on 13th September, 2015, 30% at the end of 48 months i.e. on 13th September, 2016 and 40% at the end of 60 months i.e. on 13th September, 2017 from the date of allotment.
2	10,00,000 - 6th March, 2013	-	*4,000.00*	*4,000.00*	5% payable annually	Repayment on 27th April, 2016 alongwith redemption premium of ₹ 757 Lakhs.
3	10,00,000 - 10th September, 2015	**6,000.00**	*6,000.00*	-	9.80% payable half yearly	Put / call option at the end of 36 months from the date of allotment. In case the put or call option is not exercised, then the debentures will be redeemed at par as: 30% at the end of 36 months i.e. on 10th September, 2018, 30% at the end of 48 months i.e. on 10th September, 2019 and 40% at the end of 60 months i.e. on 10th September, 2020 from the date of allotment.
4	10,00,000 - 20th July, 2016	**4,000.00**	-	-	9.10% payable half yearly	Repayment on 22nd July, 2019.
		10,000.00	*10,000.00*	*10,000.00*		

2. Inventory, trade receivables, property, plant and equipment with a carrying amount of ₹ 7,009.34 Lakhs; ₹ 10,976.06 Lakhs and ₹ 11,974.67 Lakhs are mortgaged / hypothecated as collateral/security against the borrowings as at 31st March, 2017, 31st March, 2016 and 1st April, 2015 respectively

18. Other financial liabilities

18A. Non Current

₹ in Lakhs

Particulars	As at 31st Mar, 2017	*As at 31st Mar., 2016*	*As at 1st Apr., 2015*
Security deposits	**414.27**	*555.66*	*396.34*
Premium payable on redemption of debentures	-	-	*498.01*
Total	**414.27**	*555.66*	*894.35*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 - Continued

18B. Current ₹ in Lakhs

Particulars	As at 31st Mar, 2017	*As at 31st Mar., 2016*	*As at 1st Apr., 2015*
a) Current maturities of long term borrowings	**68.70**	*5,812.63*	*7,157.31*
b) Current maturities of finance lease obligations	**-**	*-*	*19.39*
c) Interest accrued but not due on borrowings	**104.62**	*48.00*	*20.68*
d) Unpaid dividends *	**0.00**	*0.00*	*2.37*
e) Unpaid matured deposits and interest accrued thereon *	**-**	*-*	*2.33*
f) Others :-			
- Payables on purchase of fixed assets	**21.12**	*14.95*	*18.09*
- Security deposits	**416.25**	*279.94*	*419.58*
- Payable to Shipping Principals	**-**	*47.75*	*769.20*
- Payable under forward contracts	**-**	*18.62*	*-*
- Premium payable on redemption of debentures	**-**	*739.43*	*-*
Total	**610.69**	*6,961.32*	*8,408.95*

*There are no amounts due and outstanding to be credited to Investor Education and Protection Fund

19. Provisions

19A. Non current

a) Employee benefits			
Gratuity (Refer Note 36)	**46.20**	*44.35*	*24.82*
Other post retirement benefits (Refer Note 36)	**299.65**	*283.61*	*339.54*
Total	**345.85**	*327.96*	*364.36*

19B. Current

a) Employee benefits			
Compensated absences	**303.66**	*355.22*	*333.57*
Gratuity (Refer Note 36)	**87.34**	*108.55*	*101.57*
Other post retirement benefits (Refer Note 36)	**62.40**	*93.33*	*93.86*
b) Other provisions			
For wealth tax less payments [net of advance tax ₹ 79.73 Lakhs *(as at 31st March, 2016 ₹ 79.73 Lakhs and as at 1st April,2015 ₹ 53.44 Lakhs)*]	**8.36**	*8.36*	*34.65*
For statutory dues	**62.38**	*725.00*	*220.00*
For estimated losses on onerous contracts	**136.00**	*161.00*	*274.00*
For contingencies	**900.00**	*-*	*-*
Total	**1,560.14**	*1,451.46*	*1,057.65*

₹ in Lakhs

Particulars	Onerous Contract (see Note below)	Contingencies (see Note below)	Statutory dues (see Note below)
Balance as at 1st April, 2015	**274.00**	**-**	**220.00**
Add: Provisions made during the year	-	-	505.00
Less: Utilisation during the year	91.96	-	-
Less: Reversal	21.04	-	-
Balance as at 31st March, 2016	**161.00**	**-**	**725.00**
Add: Provisions made during the year	-	900.00	-
Less: Reversal	25.00	-	662.62
Balance as at 31st March, 2017	**136.00**	**900.00**	**62.38**

Note: The provision for onerous contracts, contingencies and statutory dues represents the present value of the Company's best estimate of the future outflow of economic benefits that will be required. This provisions are expected to be settled in the next financial year.

20. Deferred tax balances

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

₹ in Lakhs

Particulars	As at 31st Mar, 2017	*As at 31st Mar., 2016*	*As at 1st Apr., 2015*
Deferred tax assets	**2,234.87**	-	-
Deferred tax liabilities	**(640.24)**	-	-
Net	**1,594.63**	-	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 - Continued

Current Year (2016-2017) ₹ in Lakhs

Particulars	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
Deferred tax (liabilities)/assets in relation to:				
a) Property, plant and equipment	(559.24)	(81.00)	-	(640.24)
b) Doubtful debts	423.43	(148.43)	-	275.00
c) Defined benefit obligation	170.94	(147.88)	23.16	46.22
d) Other financial liabilities - Provisions and liabilities to be allowed on payment basis (other than gratuity)	194.48	111.55	-	306.03
e) VRS	25.05	89.71	-	114.76
Total (A)	**254.66**	**(176.05)**	**23.16**	**101.77**
f) Tax losses	2,363.34	(1,952.65)	-	410.69
g) Unabsorbed depreciation	725.51	(725.51)	-	-
h) Others (MAT Credit)	-	1,082.17	-	1,082.17
i) Written down of deferred tax asset	(3,343.51)	3,343.51	-	-
Total (B)	**(254.66)**	**1,747.52**	**-**	**1,492.86**
Total (A+B)	**-**	**1,571.47**	**23.16**	**1,594.63**

Previous Year (2015-2016)

Particulars	*Opening balance*	*Recognised in profit or loss*	*Recognised in other comprehensive income*	*Closing balance*
Deferred tax (liabilities)/assets in relation to:				
a) Property, plant and equipment	*(563.33)*	*4.09*	*-*	*(559.24)*
b) Doubtful debts	*212.72*	*210.71*	*-*	*423.43*
c) Defined benefit obligation	*149.23*	*21.71*	*-*	*170.94*
d) Other financial liabilities - Provisions and liabilities to be allowed on payment basis (other than gratuity)	*87.60*	*106.88*	*-*	*194.48*
e) VRS	*39.10*	*(14.05)*	*-*	*25.05*
Total (A)	***(74.68)***	***329.34***	***-***	***254.66***
f) Tax losses	*2,264.50*	*98.84*	*-*	*2,363.34*
g) Unabsorbed depreciation	*798.44*	*(72.93)*	*-*	*725.51*
h) Written down of deferred tax asset	*(2,988.26)*	*(355.25)*	*-*	*(3,343.51)*
Total (B)	***74.68***	***(329.34)***	***-***	***(254.66)***
Total (A+B)	***-***	***-***	***-***	***-***

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

₹ in Lakhs

Particulars	As at 31st Mar, 2017	*As at 31st Mar., 2016*	*As at 1st Apr., 2015*
Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following:			
a) Deductible temporary differences (will never expire)			
- Unabsorbed depreciation	-	*2,236.00*	*2,460.91*
b) Deductible temporary differences (will expire)			
- unused tax losses	**2,753.10**	*8,069.00*	*6,749.33*
- unused tax credits	**-**	*502.02*	*502.02*
	2,753.10	*10,807.02*	*9,712.26*

21. Other liabilities

21A. Non-current

₹ in Lakhs

Particulars	As at 31st Mar, 2017	*As at 31st Mar., 2016*	*As at 1st Apr., 2015*
a) Advances from customers	**22.40**	*16.50*	*67.03*
Total	**22.40**	*16.50*	*67.03*

21B. Current

a) Advances from customers	**259.30**	*2,084.35*	*102.65*
b) Customers' balances and advances for supplies and services to be rendered	**305.71**	*288.72*	*560.05*
c) Statutory remittances	**445.94**	*535.33*	*486.63*
d) Others			
- Deferred revenue	**2.07**	*1.44*	*0.09*
Total	**1,013.02**	*2,909.84*	*1,149.42*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 - Continued

22. Borrowings

₹ in Lakhs

Particulars	As at 31st Mar., 2017	As at 31st Mar., 2016	As at 1st Apr., 2015
Unsecured - at amortised cost			
Loans from other parties			
Commercial papers [maximum amount outstanding during the year ₹ 6,100.00 Lakhs *(as at 31st March, 2016: ₹ 5,000.00 Lakhs and as at 1st April, 2015: ₹ 7,000.00 Lakhs)*]	**4,920.09**	*3,579.77*	*1,477.56*
Total	**4,920.09**	*3,579.77*	*1,477.56*
Secured - at amortised cost			
a) Loans repayable on demand			
- from banks			
Cash credit from consortium of banks against hypothecation of all stocks including raw materials, stock-in-process, finished goods, stores and trade receivables.	**-**	-	*0.55*
b) Other loans from banks			
Buyers credit - Secured by second charge on 11 residential flats, part basement and part garages in "Volkart House", Mumbai.	**-**	*660.15*	*301.95*
	-	*660.15*	*302.50*
Total	**4,920.09**	*4,239.92*	*1,780.06*

23. Trade payables - Current

Micro and small enterprises	**308.26**	*265.41*	*232.03*
Others	**4,917.00**	*3,402.67*	*3,638.93*
Total	**5,225.26**	*3,668.08*	*3,870.96*

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

₹ in Lakhs

Particulars	As at 31st Mar., 2017	As at 31st Mar., 2016
Principal amount remaining unpaid to any supplier as at the end of the accounting year	**206.41**	*194.52*
Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	**4.38**	*3.73*
The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	**-**	-
The amount of interest due and payable for the year	**30.96**	*26.81*
The amount of interest accrued and remaining unpaid at the end of the accounting year	**101.85**	*70.89*
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	**70.89**	*44.08*

24. Current tax assets and liabilities

₹ in Lakhs

Particulars	As at 31st Mar, 2017	As at 31st Mar., 2016	As at 1st Apr., 2015
Current tax assets			
Tax refund receivable	**3,031.79**	*3,203.23*	*2,834.34*
	3,031.79	*3,203.23*	*2,834.34*
Current tax liabilities			
Income tax payable	**1,692.19**	*671.26*	*735.65*
	1,692.19	*671.26*	*735.65*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 - Continued

25. Revenue from operations

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

₹ in Lakhs

Particulars	Year Ended 31st Mar, 2017	*Year Ended 31st Mar., 2016*
a) Income from real estate contracts	**9,420.03**	-
b) Sales		
Sale of products (including excise duty)		
i) Manufactured Goods	**17,120.99**	*18,287.16*
	17,120.99	*18,287.16*
Sale of services		
i) Service income	**157.84**	*126.04*
	157.84	*126.04*
c) Other operating revenues		
i) Rent and amenities	**1,564.22**	*1,475.92*
ii) Export incentives	**60.16**	*23.10*
iii) Others	**23.73**	*28.31*
	1,648.11	*1,527.33*
Total	**28,346.97**	*19,940.53*

26. Other Income

a) Interest Income		
Interest income earned on financial assets that are not designated as at fair value through profit or loss:		
i) Bank deposits	**6.52**	*40.92*
ii) Inter-corporate deposit	**54.08**	*49.13*
iii) Customers and others	**70.25**	*1.63*
Total (a)	**130.84**	*91.68*
(above all amounts are measured at amortised cost)		
b) Dividend Income		
i) from long-term investments	**0.07**	*0.06*
ii) from current investments	**27.35**	*73.45*
Total (b)	**27.42**	*73.51*
c) Other Non-Operating Income		
i) Credit balances / excess provision written back	**641.10**	*400.28*
ii) Income Tax refund	**49.71**	-
iii) Miscellaneous income	**236.22**	*233.95*
Total (c)	**927.03**	*634.23*
d) Other gains and losses		
i) Gain on disposal of property, plant and equipment	**0.08**	*0.71*
ii) Gain/(loss) on disposal of current investments	**79.79**	-
iii) Gain on fair value of long-term investments in a subsidiary company	**116.41**	*100.35*
iv) Net foreign exchange gains	**30.07**	*5.40*
v) Notional guarantee commission	**59.22**	*59.22*
Total (d)	**285.58**	*165.68*
Total (a+b+c+d)	**1,370.87**	*965.10*

27. Real estate development costs

₹ in Lakhs

Particulars	Year Ended 31st Mar, 2017	*Year Ended 31st Mar., 2016*
i) Material and Contractual Payments	**2,806.17**	*91.89*
ii) Fees for technical services / design and drawings	**701.48**	*77.03*
iii) Project Management Consultancy Fees	**831.22**	*99.28*
iv) Fees-filing with Statutory Authourities	**4,389.97**	*197.48*
v) Interest on borrowings	**12.25**	-
vi) Operation and maintenance expenses	**79.52**	*15.47*
Total	**8,820.61**	*481.15*

28. A. Cost of materials consumed

Opening stock of raw materials and components	**983.36**	*1,384.55*
Purchases	**6,068.82**	*6,630.42*
	7,052.18	*8,014.97*
Less: Closing stock of raw materials and components	**1,148.80**	*983.36*
	5,903.38	*7,031.61*

Consumption is arrived at on the basis of opening stock plus purchases less closing stock and includes the adjustments of excess and shortage as ascertained on physical count.

B. Changes in inventories of finished goods, work-in-progress and stock-in-trade.

Inventories at the end of the year:		
i) Finished goods	**782.63**	*725.89*
ii) Work-in-progress	**384.35**	*360.03*
iii) Stock-in-trade	**0.28**	*3.53*
iv) Real estate development work-in-progress	**4,804.58**	*1,524.45*
	5,971.84	*2,613.90*
Inventories at the beginning of the year:		
i) Finished goods	**725.89**	*573.26*
ii) Work-in-progress	**360.03**	*430.52*
iii) Stock-in-trade	**3.53**	*2.19*
iv) Real estate development work-in-progress	**1,524.45**	*1,043.30*
	2,613.90	*2,049.27*
Net increase	**(3,357.94)**	*(564.63)*

29. Employee benefits expense

i) Salaries and Wages	**4,098.19**	*3,338.18*
ii) Contribution to provident and other funds	**252.56**	*254.78*
iii) Staff Welfare Expenses	**266.74**	*243.60*
Total	**4,617.49**	*3,836.56*

30. Finance costs

(a) Interest costs :-		
i) Interest on bank overdrafts and loans	**1,129.09**	*1,801.91*
ii) Delayed payment of taxes	**8.75**	*1.90*
iii) Other interest expense	**30.97**	*26.80*
Total interest expenses	**1,168.81**	*1,830.61*
(b) Exchange differences regarded as an adjustment to borrowing costs	**1.64**	*46.27*
(c) Other borrowing costs	**64.66**	*31.62*
Total	**1,235.11**	*1,908.50*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 - Continued

31. Depreciation and amortisation expense

₹ in Lakhs

Particulars	Year Ended 31st Mar, 2017	*Year Ended 31st Mar., 2016*
i) Depreciation on property, plant and equipment (Refer Note 5)	**504.43**	*693.02*
ii) Depreciation of investment property (Refer Note 6)	**62.37**	*62.37*
iii) Amortisation of intangible assets (Refer Note 7)	**33.66**	*46.99*
Less: Transfered to Real Estate work-in-progress	**(1.19)**	*(1.13)*
Less: Depreciation related to discontinued operations (Refer Note 42)	**(1.64)**	*(303.95)*
Total	**597.63**	*497.30*

32. A. Other expenses

Consumption of stores and spare parts		**738.08**	*631.50*
Increase of excise duty on inventory		**3.27**	*24.07*
Processing charges		**1,049.10**	*1,134.18*
Power and fuel		**537.99**	*547.96*
Transportation, freight, handling and other charges		**0.74**	-
Excise duty on sale of goods		**1,715.24**	*1,874.65*
Rent and hire charges		**251.89**	*284.89*
Repairs to :			
i) Buildings	251.85		*332.67*
ii) Plant and machinery	258.71		*252.30*
iii) Others	145.27		*159.14*
		655.83	*744.11*
Insurance		**64.59**	*69.80*
Rates and taxes (excluding taxes on income)		**124.31**	*631.63*
Brokerage, commission, discount and other selling expenses		**512.91**	*302.86*
Printing & Stationery		**52.71**	*67.02*
Communication		**131.32**	*128.42*
Legal and professional charges		**605.20**	*484.80*
Travelling and conveyance		**295.20**	*318.74*
Trade receivables / advances written off	14.93		*48.96*
Less: Provision held	-		-
		14.93	*48.96*
Provision for doubtful trade receivables		**85.08**	*95.54*
Provision for doubtful loans and advances		**1.83**	*304.56*
Provision for Contingencies		**900.00**	-
Miscellaneous expenses		**698.36**	*422.49*
Auditors remuneration (net of input credit availed)			
To Statutory Auditors			
i) For audit	47.24		*47.00*
ii) For taxation matters	17.79		*19.00*
iii) For company law matters	-		*0.35*
iv) For other services	15.15		*19.69*
v) For reimbursement of expenses	1.14		*0.48*
		81.32	*86.52*
To cost auditors for cost audit		**4.64**	*2.60*
Total		**8,524.54**	*8,205.30*

Note: Included in the other expenses are the below:

Particulars	Year Ended 31st Mar, 2017	*Year Ended 31st Mar., 2016*
Direct operating expenses arising from investment property that generated rental income during the year	**169.79**	*323.79*
Direct operating expenses arising from investment property that did not generate rental income during the year	**40.50**	*31.74*
Total	**210.29**	*355.53*

B. Exceptional items

Income from settlement of disputed matters (Refer Note 47)	**-**	*652.05*
Profit on sale of investment (Refer Note 8D)	**750.01**	-
Arrears of Rental Income	**-**	*1,172.05*
Termination benefits and one time settlement with employees	**(78.09)**	-
Reversal/(Provision) for impairment in the value of investments (Refer Note 8D)	**2,380.00**	*(271.26)*
Loss on Capital Reduction of investment in equity shares of subsidiary (Refer Note 8D)	**(1,931.50)**	-
	1,120.42	*1,552.84*

33. Income taxes

33.1 Income tax recognised in profit or loss

For Continuing operations		
Current tax		
In respect of the current year	**577.00**	-
Deferred tax		
In respect of the current year	**(1,078.95)**	-
For Discontinuing operations		
Current tax		
In respect of the current year	**623.00**	-
Deferred tax		
In respect of the current year	**(492.52)**	-
	(371.47)	-

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

Profit before tax from total operations	**9,289.66**	*315.40*
Income tax expense calculated at 34.608% (2015-2016: 33.063%)	**3,214.97**	*104.28*
Effect of income that is exempt from taxation	**(9.47)**	*(23.83)*
Effect of expenses that are not deductible in determining taxable profit	**256.39**	-
Effect of tax incentives and concessions	**(1,130.22)**	-
Effect of recognition of tax effect of previously unrecognised tax losses	**(1,551.72)**	*(80.45)*
Effect of past losses for which deferred tax assets in recognised in current year	**(410.68)**	-
Effect of income that is non-taxable in determining taxable profit	**(823.67)**	-
Effect of rounding off of provision for tax	**82.93**	-
Income tax expense recognised in profit or loss from total operations	**(371.47)**	-

The tax rate used for the year 2016-2017 and 2015-2016 reconciliations above is the corporate tax rate of 34.608% and 33.063% respectively payable by corporate entities in India on taxable profits under the Indian tax law.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 - Continued

33.2 Income tax recognised in other comprehensive income

Particulars	Year Ended 31st Mar, 2017	₹ in Lakhs *Year Ended 31st Mar., 2016*
Others		
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:		
Re-measurement of defined benefit obligation	**(23.16)**	-
Total income tax expenses recognised in other comprehensive income	**(23.16)**	-
Items that will not be reclassified to profit or loss	**(23.16)**	-

34. Earnings per share

Particulars	Year Ended 31st Mar, 2017	*Year Ended 31st Mar., 2016*
	₹ per share	*₹ per share*
Basic earnings per share for continuing operation	**38.49**	*8.14*
Basic earnings per share for discontinued operation	**36.41**	*(5.70)*
Diluted earnings per share for continuing operation	**38.49**	*8.14*
Diluted earnings per share for discontinued operation	**36.41**	*(5.70)*

34.1 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, 2017	*Year Ended 31st Mar., 2016*
From continuing operations (A) (₹ in Lakhs)	**4,965.84**	*1,050.06*
From discontinued operations (B) (₹ in Lakhs)	**4,695.29**	*(734.66)*
Profit for the year attributable to owners of the Company (c) = A+B) (₹ in Lakhs)	**9,661.13**	*315.40*
Weighted average number of equity shares for the purposes of basic earnings per share (Quantity in Lakhs) (D)	**128.99**	*128.99*
Basic Earnings per equity share for continuing operation (A/D) (₹)	**38.49**	*8.14*
Basic Earnings per equity share for discontinued operation (B/D)(₹)	**36.41**	*(5.70)*
Basic Earnings per share (C/D) (₹)	**74.90**	*2.44*

34.2 Diluted earnings per share

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

Particulars	Year Ended 31st Mar, 2017	*Year Ended 31st Mar., 2016*
Earnings used in the calculation of basic earnings per share for continuing (A) (₹ in Lakhs)	**4,965.84**	*1,050.06*
Earnings used in the calculation of basic earnings per share for discontinued operation (B) (₹ in Lakhs)	**4,695.29**	*(734.66)*
Earnings used in the calculation of diluted earnings per share C = (A+B) (₹ in Lakhs)	**9,661.13**	*315.40*
Weighted average number of equity shares used in the calculation of basic earnings per share (Quantity in Lakhs)	**128.99**	*128.99*
Weighted average number of equity shares used in the calculation of diluted earnings per share (Quantity in Lakhs) (D)	**128.99**	*128.99*
Diluted earnings per share for continuing operations (A/D) (₹)	**38.49**	*8.14*
Diluted earnings per share for discontinued operations (B/D) (₹)	**36.41**	*(5.70)*
Diluted earnings per share(B/D) (₹)	**74.90**	*2.44*

35. Obligations under finance leases

35.1 Leasing arrangements

The Company has acquired Computer Hardware under finance lease for three years.

(i) The gross carrying amount and the accumulated depreciation at the balance sheet date are ₹ Nil; *(Previous year 31st March, 2016: ₹ 64.68 Lakhs and as at 1st April, 2015 ₹ 120.38 Lakhs)*; and ₹ Nil *(Previous year 31st March, 2016: ₹ 64.68 Lakhs and as at 1st April, 2015 ₹119.36 Lakhs)* respectively.

(ii) Depreciation recognised in the statement of profit and loss is ₹ Nil; *(Previous year for the year ended 31st March, 2016 is ₹ 1.02 Lakhs)*.
Interest rates underlying all obligations under finance leases are fixed at respective contract dates ranging from Nil % per annum *(as at 31st March, 2016: Nil per annum; as at 1st April, 2015: 7.68 % to 9.33 % per annum)*.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 - Continued

35.2 Finance lease liabilities

₹ in Lakhs

Particulars	Minimum lease payments			Present value of minimum lease payments		
	As at 31st Mar., 2017	*As at 31st Mar., 2016*	*As at 1st Apr., 2015*	**As at 31st Mar., 2017**	*As at 31st Mar., 2016*	*As at 1st Apr., 2015*
Not later than one year	-	-	*20.04*	-	-	*19.39*
Later than one year and not later than five years	-	-	-	-	-	-
Later than five years	-	-	-	-	-	-
	-	-	*20.04*	-	-	*19.39*
Less: future finance charges	-	-	*0.65*	-	-	-
Present value of minimum lease payments	-	-	*19.39*	-	-	*19.39*

Particulars	**As at 31st Mar., 2017**	*As at 31st Mar., 2016*	*As at 1st Apr., 2015*
Included in the financial statements as:			
-Current maturities of finance lease obligations (Refer Note 17(c))	-	-	*19.39*
Total	-	-	*19.39*

36. Employee Benefits :

Brief description of the Plans:

The Company has various schemes for long term benefits such as Provident Fund, Superannuation, Gratuity, Leave Encashment and Post Retirement Medical and Non Compete fees. In case of funded schemes, the funds are recognised by the Income tax authorities and administered through trustees. The Company's defined contribution plans are Provident Fund (in case of certain employees), Superannuation, Employees State Insurance Fund and Employees' Pension Scheme (under the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952). The Company has no further obligation beyond making the contributions to such plans. The Company's defined benefit plans include Gratuity, Post Retirement Medical and Non Compete fees and Leave Encashment.

The gratuity plan is a funded plan and the Company had obtained insurance policies with Life Insurance Corporation of India(LIC) and makes an contribution to LIC for amounts notified by LIC. The Company accounts for gratuity benefits payable in future based on an independent external actuarial valuation carried out at the end of the year using the Projected Unit Credit method.

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

A large portion of assets consists of government and corporate bonds, although the Company also invests in equities, cash and mutual funds. The plan asset mix is in compliance with the requirements of the regulations in case of Provident fund.

The Company's Gratuity Plan is administered by an insurer and the Investments are made in various schemes of the trust. The Company funds the plan on a periodical basis.

The eligible employees of the Company are entitled to receive post-employment benefits in respect of provident fund, in which both the employees and the Company make monthly contributions at a specified percentage of the employees' eligible salary. The contributions are made to the Government Family Pension Fund / provident fund managed by the trust set up by the Company which are charged to the statement of profit and loss as incurred.

The eligible employees of the Company are entitled to receive post-employment benefits in respect of superannuation fund in which the Company makes an annual contribution at a specified percentage of the employees' eligible salary. The contributions are made to the LIC. Superannuation is classified as defined contribution plan as the Company has no further obligations beyond making the contribution. The Company's contribution to defined contribution plan is charged to the statement of profit and loss as incurred.

Under the post-retirement scheme, eligible whole-time directors and on their demise, their spouses are entitled to medical benefits subject to certain limits and fixed monthly payment as non-compete fee. The Company accounts for these benefits payable in future based on an independent external actuarial valuation carried out at the end of the year using the Projected Unit Credit method.

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. Plan investment is a mix of investments in government securities, and other debt instruments.

Interest risk

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 - Continued

Longevity risk

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

Salary risk

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

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

₹ in Lakhs

Particulars	Year Ended 31st Mar, 2017	*Year Ended 31st Mar., 2016*
Employer's contribution to Regional Provident Fund Office	**137.11**	*154.19*
Employer's contribution to Superannuation Fund	**80.98**	*83.59*

Included in Contribution to Provident and Other Funds (Refer Note 29)

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

A. Change in Defined Benefit Obligation

₹ in Lakhs

Particulars	Gratuity (Funded)		Others (Post Retirement medical and non compete fees) (Non funded)	
	Year Ended		Year Ended	
	31st Mar., 2017	*31st Mar., 2016*	31st Mar., 2017	*31st Mar., 2016*
Present Value of Defined Benefit Obligation as at beginning of the year	**907.71**	*855.70*	**376.94**	*433.40*
Interest Cost	**71.87**	*68.37*	**29.64**	*34.64*
Current Service Cost	**44.79**	*56.18*	**-**	*1.70*
Benefits Paid	**(265.09)**	*(77.79)*	**(52.58)**	*(54.98)*
Remeasurement of defined benefit obligation	**43.18**	*5.25*	**8.05**	*(37.82)*
Present Value of Defined Benefit Obligation as at the end of the year	**802.46**	*907.71*	**362.05**	*376.94*

B. Changes in the Fair Value of Assets

₹ in Lakhs

Particulars	Gratuity (Funded)		Others (Post Retirement medical and non compete fees) (Non funded)	
	Year Ended		Year Ended	
	31st Mar., 2017	*31st Mar., 2016*	31st Mar., 2017	*31st Mar., 2016*
Fair Value of Plan Assets as at beginning of the year	**744.32**	*729.31*	**-**	-
Expected Return on Plan Assets	**59.84**	*58.27*	**-**	-
Contributions from employer	**131.93**	*29.62*	**-**	-
Benefits Paid	**(251.23)**	*(77.79)*	**-**	-
Actuarial gain / (loss)	**(15.94)**	*4.91*	**-**	-
Fair Value of Plan Assets as at the end of the year	**668.92**	*744.32*	**-**	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 - Continued

C. Amount recognised in the Balance Sheet

₹ in Lakhs

Particulars	Gratuity (Funded)		Others (Post Retirement medical and non compete fees) (Non funded)	
	Year Ended		Year Ended	
	31st Mar., 2017	*31st Mar., 2016*	**31st Mar., 2017**	*31st Mar., 2016*
Present Value of Defined Benefit Obligation as at the end of the year	**802.46**	*907.71*	**362.05**	*376.94*
Fair Value of Plan Assets as at end of the year	**668.92**	*744.32*	**-**	*-*
Net Liability/(Asset) recognised in the Balance Sheet (Refer Note 19A and 19B)	**133.54**	*163.39*	**362.05**	*376.94*
Recognised under:				
Non Current provision (Refer note 19A)	**46.20**	*44.35*	**299.65**	*283.61*
Current provision (Refer note 19B)	**87.34**	*119.04*	**62.40**	*93.33*

D. Expenses recognised in Statement of Profit and Loss

₹ in Lakhs

Particulars	Gratuity (Funded)		Others (Post Retirement medical and non compete fees) (Non funded)	
	Year Ended		Year Ended	
	31st Mar., 2017	*31st Mar., 2016*	**31st Mar., 2017**	*31st Mar., 2016*
Current Service Cost	**44.79**	*56.18*	**-**	*1.70*
Net interest	**71.87**	*68.37*	**29.64**	*34.64*
Expected Return on Plan Assets	**(59.84)**	*(58.27)*	**-**	*-*
Total Expenses / recognised in the Statement of Profit And Loss*	**56.82**	*66.28*	**29.64**	*36.34*

*Included in Salaries and Wages, Contribution to Provident and Other Funds, Gratuity Fund and R&D Expenses (Refer Note 29)

E. Expenses Recognized in the Other Comprehensive Income (OCI) for Current Period

₹ in Lakhs

Particulars	Gratuity (Funded)		Others (Post Retirement medical and non compete fees) (Non funded)	
	31st Mar., 2017	*31st Mar., 2016*	**31st Mar., 2017**	*31st Mar., 2016*
Actuarial (Gains)/Losses on Obligation For the Period - Due to changes in financial assumptions	**37.06**	*(2.79)*	**10.10**	*5.63*
Actuarial (Gains)/Losses on Obligation For the Period - Due to experience adjustment	**5.87**	*8.04*	**(2.05)**	*(43.45)*
Return on Plan Assets, Excluding Interest Income	**15.94**	*(4.91)*	**-**	*-*
Net (Income)/Expense For the Period Recognized in OCI	**58.87**	*0.34*	**8.05**	*(37.82)*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 - Continued

F. Actual Return on Plan Assets

₹ in Lakhs

Particulars	Gratuity (Funded)		Others (Post Retirement medical and non compete fees) (Non funded)	
	31st Mar., 2017	*31st Mar., 2016*	**31st Mar., 2017**	*31st Mar., 2016*
Expected Return on Plan Assets	**59.84**	*58.27*	**-**	-
Actuarial gain / (loss) on Plan Assets	**(15.94)**	*4.91*	**-**	-
Actual Return on Plan Assets	**43.90**	*63.18*	**-**	-

G. Principal actuarial assumptions used:

Particulars	Gratuity (Funded)		Others (Post Retirement medical and non compete fees) (Non funded)	
	As at		As at	
	31st Mar., 2017	*31st Mar., 2016*	**31st Mar., 2017**	*31st Mar., 2016*
Discount Rate (per annum)	**7.29%**	*7.99%*	**7.22%**	*7.85%*
Salary escalation rate	**6.00%**	*6.00%*	**0.00%**	*0.00%*
Expected Rate of return on Plan Assets (per annum)	**7.29%**	*7.99%*	**0.00%**	*0.00%*

The expected rate of return on plan assets is based on market expectations at the beginning of the year. The rate of return on long-term government bonds is taken as reference for this purpose.

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

₹ in Lakhs

Particulars	Gratuity (Funded)		Others (Post Retirement medical and non compete fees) (Non funded)	
	As at		As at	
	31st Mar., 2017	*31st Mar., 2016*	**31st Mar., 2017**	*31st Mar., 2016*
Opening Net Liability	**163.39**	*126.39*	**376.94**	*433.40*
Expenses Recognized in Statement of Profit or Loss	**56.82**	*66.28*	**29.64**	*36.34*
Expenses Recognized in OCI	**58.87**	*0.34*	**8.05**	*(37.82)*
(Benefit Paid Directly by the Employer)	**(13.61)**	-	**(52.58)**	*(54.98)*
(Employer's Contribution)	**(131.93)**	*(29.62)*	**-**	-
Net Liability/(Asset) Recognized in the Balance Sheet	**133.54**	*163.39*	**362.05**	*376.94*

I. Category of Assets

₹ in Lakhs

Particulars	Gratuity	
	As at 31st Mar., 2017	*As at 31st Mar., 2016*
Government of India Assets (Central & State)		
Insurance fund	**668.92**	*744.32*
Total	**668.92**	*744.32*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 - Continued

J. Other Details

Particulars	Gratuity (Funded)		Others (Post Retirement medical and non compete fees) (Non funded)	
	As at		As at	
	31st Mar., 2017	*31st Mar., 2016*	**31st Mar., 2017**	*31st Mar., 2016*
Number of Active Members	**433**	*567*	**-**	-
Per Month Salary For Active Members (₹ in Lakhs)	**86.27**	*105.18*	**-**	-
Average Expected Future Service (Years)	**15**	*15*	**-**	-
Projected Benefit Obligation (PBO) (₹ in Lakhs)	**802.46**	*907.71*	**362.05**	*376.94*
Prescribed Contribution For Next Year (12 Months) (₹ in Lakhs)	**86.27**	*105.18*	**-**	-

K. Cash Flow Projection: From the Fund

₹ in Lakhs

Projected Benefits Payable in Future Years From the Date of Reporting	Estimated for the year ended 31st Mar., 2017	*Estimated for the year ended 31st Mar., 2016*
	Gratuity	
1st Following Year	**100.81**	*92.01*
2nd Following Year	**82.12**	*74.10*
3rd Following Year	**65.24**	*112.99*
4th Following Year	**112.56**	*85.57*
5th Following Year	**48.80**	*119.88*
Sum of Years 6 To 10	**391.35**	*469.70*

L. Sensitivity Analysis

₹ in Lakhs

Projected Benefits Payable in Future Years From the Date of Reporting	As at 31st Mar., 2017	*As at 31st Mar., 2016*
	Gratuity	
Impact of +1% Change in Rate of Discounting	**(48.94)**	*(39.15)*
Impact of -1% Change in Rate of Discounting	**56.19**	*78.84*
Impact of +1% Change in Rate of Salary Increase	**56.36**	*79.50*
Impact of -1% Change in Rate of Salary Increase	**(49.94)**	*(40.65)*

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

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

M. The liability for Compensated absenses (Non – Funded) as at year end is ₹ 303.66 Lakhs *(as at 31st March, 2016 ₹ 355.22 Lakhs and as at 1st April, 2015 ₹ 333.57 Lakhs)* (Refer Note 19B).

The Company provides for encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment / availment. The Company makes provision for compensated absences based on an actuarial valuation carried out at the end of the year using the Projected Unit Credit method.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 - Continued

37. Financial Instruments

37.1 Capital Management

The Company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Company consists of net debt (borrowings as detailed in Notes 17, 18B and 22 offset by cash and bank balances) and total equity of the Company.

The Company determines the amount of capital required on the basis of annual as well as long term operating plans and other strategic investment plans. The funding requirements are met through non convertible debt securities or other long-term /short-term borrowings. The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

₹ in Lakhs

The capital components of the Company are as given below:

	31st Mar., 2017	*31st Mar., 2016*	*1st Apr., 2015*
Total Equity	**24,151.12**	*14,533.75*	*14,180.87*
Short Term Borrowings	**4,920.09**	*4,239.92*	*1,780.06*
Long Term Borrowings	**9,998.63**	*8,323.07*	*8,195.90*
Current Maturities of Long Term Borrowings	**68.70**	*5,812.63*	*7,157.31*
Total Debt	**14,987.42**	*18,375.62*	*17,133.27*
Cash & Cash equivalents	**1,658.33**	*1,359.11*	*594.85*
Bank balances other than above	**64.88**	*64.88*	*123.05*
Net Debt	**13,264.21**	*16,951.63*	*16,415.37*
Debt Equity ratio	**0.42**	*0.97*	*1.08*

Debt Equity Ratio = Long Term Borrowings (including current maturities) / Total Equity

37.2 Financial risk management objectives

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

37.3 Market Risk

The company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates (see Note 37.7) and interest rates (see Note 37.7 of attached sheet). The company enters into a variety of derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk.

37.4 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 180 days. Trade receivables consist of a large number of customers and the Company do not have significant credit risk exposure to any single counterparty. On going credit evaluation is performed on the financial conditions of the trade receivables.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-rating assigned by credit-rating agencies.

In addition, the Company is exposed to credit risk in relation to the financial guarantees given to banks provided by the Company. The Company's maximum exposure in this respect is the maximum amount the Company could have to pay if the guarantee is called on is ₹ 16,920.00 Lakhs as at 31st March, 2017 *(Previous year as at 31st March, 2016 is ₹16,920.00 Lakhs and as at 1st April, 2015 is ₹16,920 Lakhs).* Based on expectations at the end of the reporting period, the Company considers that it is more likely that such an amount will not be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit looses.

37.5 Liquidity Risk

Liquidity Risk refers to insufficiency of funds to meet the financial obligations. Liquidity Risk Management implies maintenance of sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit lines to meet obligations when due.

The Company manages liquidity risk by banking facilities and by continuously monitoring forecast and actual cash flows, and by assessing the maturity profiles of financial assets and liabilities. The below table sets out details of additional undrawn facilities that the Company has at its disposal to further reduce liquidity risk.

The Company has the following undrawn credit lines available as at the end of the reporting period.

₹ in Lakhs

	31st Mar., 2017	*31st Mar., 2016*	*1st Apr., 2015*
- Expiring within one year (Bank CC Limits Sanctioned)	**3,650.00**	*3,650.00*	*3,700.00*
- Expiring beyond one year	**-**	*-*	*-*
	3,650.00	*3,650.00*	*3,700.00*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 - Continued

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the earliest date on which the Company can be required to pay. The tables include principal cash flows.

₹ in Lakhs

Maturities of Financial Liabilities as at the balance sheet date	**31st Mar., 2017**			
	Upto 1 year	**1 to 3 years**	**3 to 5 years**	**5 years & above**
Borrowings	4,988.79	9,998.63	-	-
Trade Payables	5,225.26	-	-	-
Other Financial Liabilities	541.99	414.27	-	-
	10,756.04	**10,412.90**	**-**	**-**

Maturities of Financial Liabilities as at the balance sheet date	***31st Mar., 2016***			
	Upto 1 year	***1 to 3 years***	***3 to 5 years***	***5 years & above***
Borrowings	*10,052.55*	*8,323.07*	-	-
Trade Payables	*3,668.08*	-	-	-
Other Financial Liabilities	*1,148.69*	*555.66*	-	-
	14,869.32	***8,878.83***	**-**	**-**

Maturities of Financial Liabilities as at the balance sheet date	***1st Apr., 2015***			
	Upto 1 year	***1 to 3 years***	***3 to 5 years***	***5 years & above***
Borrowings	*8,956.76*	*8,195.90*	-	-
Trade Payables	*3,870.96*	-	-	-
Other Financial Liabilities	*1,232.25*	*894.35*	-	-
	14,059.97	***9,090.25***	**-**	**-**

37.6 Interest Rate Risk & Sensitivity Analysis

The company is exposed to interest rate risk because it borrows funds at both fixed and floating interest rates.

The sensitivity analyses below have been determined based on the exposure to interest rates for borrowings at the end of the reporting period. For floating rate borrowings the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year and the rates are reset as per the applicable reset dates. The basis risk between various benchmarks used to reset the floating rate borrowings has been considered to be insignificant.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Company's
- Profit for the year ended 31st March, 2017 would decrease/increase by ₹ NIL. This is mainly attributable to the Company's exposure to borrowings at floating interest rates.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Company's
- Profit for the year ended 31st March, 2016 would decrease/increase by ₹ 39.97 Lakhs. This is mainly attributable to the Company's exposure to borrowings at floating interest rates.

37.7 Derivatives Instruments and unhedged Foreign Currency (FC) exposure

The Company is exposed to Currency Risk arising from its trade exposures and capital/Loan receipt/payments denominated, in other than the Functional Currency. The Company has a Foreign Exchange Risk Management policy within which the traesury has to perform and also lays down the checks and controls to ensure the continuing success of the treasury function. The Company has defined strategies for addressing the risks for each category of exposures (e.g. for exports , for imports, for loans, etc.). The centralised treasury function aggregates the foreign exchange exposure and takes prudent measures to hedge the exposure based on prevalent macro-economic conditions.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 - Continued

a) Derivatives outstanding as at the reporting date

Hedge of loans payable to banks	As at 31st Mar., 2017		*As at 31st Mar., 2016*		*As at 1st Apr., 2015*	
	FC in Lakhs	₹ In Lakhs	*FC in Lakhs*	*₹ In Lakhs*	*FC in Lakhs*	*₹ In Lakhs*
Forward Contract to Purchase USD						
Buyers Credit - USD	-	-	*7.53*	*498.11*	-	-
Interest on Buyers Credit - USD	-	-	*0.03*	*2.14*	-	-

b) Mark-to-market losses on the above

₹ in Lakhs

Particulars	For the Year Ended 31st Mar., 2017	*For the Year Ended 31st Mar., 2016*	*For the Year Ended 31st Mar., 2015*
Mark-to-market losses provided for	-	*(18.62)*	-

c) Particulars of unhedged foreign currency exposures as at the reporting date

Currencies	As at 31st Mar., 2017				*As at 31st Mar., 2016*				*As at 1st Apr., 2015*			
	Advances from customers		Trade receivables		*Advances from customers*		*Trade receivables*		*Advances from customers*		*Trade receivables*	
	FC in Lakhs	₹ In Lakhs	FC in Lakhs	₹ In Lakhs	*FC in Lakhs*	*₹ In Lakhs*	*FC in Lakhs*	*₹ In Lakhs*	*FC in Lakhs*	*₹ In Lakhs*	*FC in Lakhs*	*₹ In Lakhs*
USD	**0.01**	**0.80**	**5.80**	**376.09**	*0.25*	*16.27*	*4.14*	*274.12*	*0.22*	*13.78*	*5.57*	*348.74*
GBP	**-**	**-**	**1.26**	**102.36**	*0.13*	*11.90*	*0.95*	*89.93*	*0.08*	*6.97*	*0.87*	*81.25*
EUR	**-**	**-**	**0.00**	**0.10**	-	-	-	-	*0.11*	*7.31*	*0.08*	*5.42*

Currencies	As at 31st Mar., 2017				*As at 31st Mar., 2016*				*As at 1st Apr., 2015*			
	Advances to vendors		Trade payables		*Advances to vendors*		*Trade payables*		*Advances to vendors*		*Trade payables*	
	FC in Lakhs	₹ In Lakhs	FC in Lakhs	₹ In Lakhs	*FC in Lakhs*	*₹ In Lakhs*	*FC in Lakhs*	*₹ In Lakhs*	*FC in Lakhs*	*₹ In Lakhs*	*FC in Lakhs*	*₹ In Lakhs*
USD	**0.30**	**19.65**	**8.72**	**565.25**	*0.05*	*3.31*	*4.47*	*295.91*	-	-	*6.23*	*390.25*
EUR	**0.17**	**11.54**	**0.30**	**20.68**	*0.14*	*10.72*	*0.24*	*17.88*	*0.06*	*3.74*	*0.01*	*0.61*
CHF	**0.02**	**1.02**	**0.03**	**2.04**	-	-	-	-	-	-	*0.03*	*1.80*
GBP	**0.01**	**0.85**	**0.00**	**0.07**	-	-	-	-	-	-	-	-
CNY	**0.32**	**3.03**	**-**	**-**	-	-	-	-	-	-	-	-
AUD	**-**	**-**	**-**	**-**	-	-	*0.09*	*4.44*	-	-	-	-

Currencies	As at 31st Mar., 2017				*As at 31st Mar., 2016*		*As at 1st Apr., 2015*	
	Loan from Banks				*Loan from Banks*		*Loan from Banks*	
	FC in Lakhs		₹ In Lakhs		*FC in Lakhs*	*₹ In Lakhs*	*FC in Lakhs*	*₹ In Lakhs*
USD	-	-	-	-	*2.45*	*162.18*	*4.82*	*302.03*

Of the above, the Company is mainly exposed to USD, GBP, EUR, CHF & CNY. 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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 - Continued

As at 31st Mar., 2017

₹ in Lakhs

Currencies	Increase/Decrease	Total Assets in FC	Total Liabilities in FC	Change in exchange rate	Impact on Profit or Loss for the year
USD	Increase by 5%	6.11	8.74	3.24	(8.52)
USD	Decrease by 5%	6.11	8.74	(3.24)	8.52
GBP	Increase by 5%	1.28	0.00	4.05	5.16
GBP	Decrease by 5%	1.28	0.00	(4.05)	(5.16)
EUR	Increase by 5%	0.17	0.30	3.46	(0.45)
EUR	Decrease by 5%	0.17	0.30	(3.46)	0.45
CHF	Increase by 5%	0.02	0.03	3.24	(0.05)
CHF	Decrease by 5%	0.02	0.03	(3.24)	0.05
CNY	Increase by 5%	0.32	-	0.47	0.15
CNY	Decrease by 5%	0.32	-	(0.47)	(0.15)

As at 31st Mar., 2016

₹ in Lakhs

Currencies	*Increase/Decrease*	*Total Assets in FC*	*Total Liabilities in FC*	*Change in exchange rate*	*Impact on Profit or Loss for the year*
USD	*Increase by 5%*	*10.00*	*14.73*	*3.31*	*(15.63)*
USD	*Decrease by 5%*	*10.00*	*14.73*	*(3.31)*	*15.63*
GBP	*Increase by 5%*	*0.95*	*0.13*	*4.75*	*3.90*
GBP	*Decrease by 5%*	*0.95*	*0.13*	*(4.75)*	*(3.90)*
EUR	*Increase by 5%*	*0.14*	*0.24*	*3.76*	*(0.36)*
EUR	*Decrease by 5%*	*0.14*	*0.24*	*(3.76)*	*0.36*

37.8 Fair Value Disclosures

a) Categories of Financial Instruments:

₹ in Lakhs

	31st Mar., 2017			*31st Mar., 2016*			*1st Apr., 2015*		
	FVTPL	**FVTOCI**	**Amortised Cost**	*FVTPL*	*FVTOCI*	*Amortised Cost*	*FVTPL*	*FVTOCI*	*Amortised Cost*
Financial Assets									
Investments	**3,515.96**	**-**	**15,800.69**	*3,134.00*	-	*14,278.76*	*3,035.37*	-	*13,815.80*
Loans	**-**	**-**	**11.23**	-	-	*883.97*	-	-	*91.84*
Cash & Bank Balances	**-**	**-**	**1,723.21**	-	-	*1,423.99*	-	-	*717.90*
Trade Receivables	**-**	**-**	**4,034.76**	-	-	*4,210.92*	-	-	*4,714.83*
Other Financial Assets	**-**	**-**	**979.98**	-	-	*1,507.23*	-	-	*695.02*
	3,515.96	**-**	**22,549.87**	*3,134.00*	-	*22,304.87*	*3,035.37*	-	*20,035.39*
Financial liabilities									
Borrowings	**-**	**-**	**14,918.72**	-	-	*12,562.99*	-	-	*9,975.96*
Trade Payables	**-**	**-**	**5,225.26**	-	-	*3,668.08*	-	-	*3,870.96*
Other Financial Liabilities	**-**	**-**	**1,024.96**	-	-	*7,516.98*	-	-	*9,303.30*
	-	**-**	**21,168.94**	-	-	*23,748.05*	-	-	*23,150.22*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 - Continued

b) Fair Value Hierarchy and Method of Valuation

Except as detailed in the following table, the Company considers that the carrying amounts of financial instruments recognised in the financial statements approximate their fair values.

₹ in Lakhs

Financial Assets	31st Mar., 2017					
	Notes	Carrying Value	Level 1	Level 2	Level 3	Total
Measured at FVTPL						
Investments						
Investments in Equity Instruments	i.	0.65	-	-	0.65	0.65
Investments in Preference Shares	i.	3,194.85	-	3,194.85	-	3,194.85
Investments in debentures or bonds						
Optionally Convertible Redeemable Debentures	i	320.46	-	320.46	-	320.46
Measured at Amortised Cost						
Intercorporate Deposits	i	-	-	-	-	-

₹ in Lakhs

Financial Assets	31st Mar., 2016					
	Notes	*Carrying Value*	*Level 1*	*Level 2*	*Level 3*	*Total*
Measured at FVTPL						
Investments						
Investments in Equity Instruments	i	*0.65*	-	-	*0.65*	*0.65*
Investments in Preference Shares	i	*2,845.67*	-	*2,845.67*	-	*2,845.67*
Investments in debentures or bonds						
Optionally Convertible Redeemable Debentures	i	*287.68*	-	*287.68*	-	*287.68*
Measured at Amortised Cost						
Intercorporate Deposits	i	*500.00*	-	*500.00*	-	*500.00*

₹ in Lakhs

Financial Assets	1st Apr., 2015					
	Notes	*Carrying Value*	*Level 1*	*Level 2*	*Level 3*	*Total*
Measured at FVTPL						
Investments						
Investments in Equity Instruments	i	*0.65*	-	-	*0.65*	*0.65*
Investments in Preference Shares	i	*2,776.31*	-	*2,776.31*	-	*2,776.31*
Investments in debentures or bonds						
Optionally Convertible Redeemable Debentures	i	*258.41*	-	*258.41*	-	*258.41*
Measured at Amortised Cost						
Intercorporate Deposits	i	*65.00*	-	*65.00*	-	*65.00*

Notes:

i. Discounted cash flow method has been used to determine the fair value. The discounting factor has been computed using a mix of past trends.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 - Continued

c) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the period ended 31st March, 2016 and 1st April, 2015.

₹ in Lakhs

	Equity Instruments	Total
As at 1st Apr., 2015	**0.65**	**0.65**
Gains / Losses recognised in profit or loss	-	-
As at 31st Mar., 2016	**0.65**	**0.65**
Gains / Losses recognised in profit or loss	-	-
As at 31st Mar., 2017	**0.65**	**0.65**

d) Valuation Process

The Company engages external valuation consultants to fair value financial instruments measured at FVTPL and FVTOCI. The main level 3 inputs used for unlisted equity securities, preference shares and debentures are as follows:

1) The current market borrowing rates of the Company are compared with relevant market matrices as at the reporting dates to arrive at the discounting rates

e) Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

The Company consider that the carrying amounts of financial assets and financial liabilities recognised in Note (a) above approximate their fair values.

38. Operating lease arrangements

38.1 The Company as lessor

The Company has entered into operating lease arrangements, consisting of surplus space in buildings to others. The normal tenure of the arrangement is upto three years. The details of the premises leased are as follows:

38.1.1 Non-cancellable operating lease receivables

₹ in Lakhs

Particulars	As at 31st Mar., 2017	*As at 31st Mar., 2016*	*As at 1st Apr., 2015*
Not later than 1 year	**598.74**	*773.62*	*323.46*
Later than 1 year and not later than 5 years	**355.47**	*825.56*	*312.90*
Later than 5 years	**-**	-	-
Total	**954.21**	*1,599.18*	*636.36*

39. Commitments

₹ in Lakhs

Particulars	As at 31st Mar., 2017	*As at 31st Mar., 2016*	*As at 1st Apr., 2015*
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (against which advance paid aggregating ₹ 110.27 Lakhs; *(as at 31st March,2016 ₹ 148.85 Lakhs and as at 1st April,2015: ₹ 125.38 Lakhs)*	**208.52**	*423.04*	*188.61*
Total	**208.52**	*423.04*	*188.61*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 - Continued

40. Contingent liabilities and contingent assets

40.1 Contingent liabilities

₹ in Lakhs

Particulars			As at 31st Mar., 2017	*As at 31st Mar., 2016*	*As at 1st Apr., 2015*
(a) Claims against the Company not acknowledged as debts					
1	**Taxes in dispute:-**				
	i)	Excise demand [Advance paid against the demand ₹ 7.89 Lakhs; *(Previous year as at 31.03.2016 ₹ 29.36 Lakhs and as at 01.04.2015 ₹ 29.36 Lakhs)*]	**4,748.98**	*4,774.54*	*4,774.54*
	ii)	Sales tax [Advance paid against the demand ₹ 55.62 Lakhs; *(Previous year as at 31.03.2016 ₹ 500.73 Lakhs and as at 01.04.2015 ₹ 225.16 Lakhs)*]	**421.87**	*8,138.71*	*2,297.83*
	iii)	Income-tax [Advance paid against the demand ₹ 840.40 Lakhs; *(Previous year as at 31.03.2016 ₹ 928.13 Lakhs and as at 01.04.2015 ₹ 1,347.30 Lakhs)*]	**1,085.83**	*1,274.43*	*4,136.46*
	iv)	Service-tax (Advance paid ₹ Nil)	**732.68**	*732.68*	*732.68*
	v)	Entry-tax [Advance paid ₹ 38.45 Lakhs; *(Previous year as at 31.03.2016 ₹ 38.45 Lakhs and as at 01.04.2015 ₹ 38.45 Lakhs)*]	**76.90**	*76.90*	*76.90*
	vi)	Customs duty [Advance paid ₹ 0.08 Lakhs; *(Previous year as at 31.03.2016 ₹ 0.18 Lakhs and as at 01.04.2015 ₹ 0.18 Lakhs)*]	**101.00**	*2.00*	*2.00*
	vii)	Wealth tax [Advance paid ₹ 409.86 Lakhs; *(Previous year as at 31.03.2016 ₹ 14.95 Lakhs and as at 01.04.2015 ₹ 14.95 Lakhs)*]	**409.86**	*409.86*	*14.95*
	viii)	Property tax	**-**	*451.61*	*451.61*
2	Labour matters in dispute		**17.07**	*17.07*	*9.00*
3	Claim of Madhya Gujarat Vij Co. Ltd. for alleged diversion of fraction of the power consumed and contested by the Company in the Court		**188.29**	*188.29*	*188.29*
4	Customer claims [Advance paid against the demand ₹ 50.18 Lakhs; *(Previous year as at 31.03.2016 ₹ 50.18 Lakhs and as at 01.04.2015 ₹ 50.18 Lakhs)*]		**2,999.59**	*3,036.18*	*3,042.26*
5	Other legal matters		**6.20**	*6.20*	*6.20*
(b) Guarantees :-					
	I)	Guarantees given on behalf of Shipping Principals including subsidiary company and Surety Bonds jointly executed with third parties in favour of customs and other parties (net of provisions)	**3,165.00**	*12,414.61*	*12,404.50*
	ii)	Guarantee on behalf of subsidiary companies	**19,819.89**	*19,881.44*	*19,721.55*

In respect of item mentioned above, till the matters are finally decided, the timings of outflow of economic benefits cannot be ascertained.

40.2 Contingent assets

There are no Contingent assets at the end of each reporting periods.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 - Continued

41. Related Party Disclosures

Current Year

(a) Name of the Related Parties and Description of Relationship:

Nature of Relationship	Name of Entity
A Holding Company	Shapoorji Pallonji and Company Private Limited
B Subsidiaries - Direct	Eureka Forbes Limited Forbes Campbell Finance Limited Forbes Container Lines Pte. Limited (Upto 19.08.2016) Shapoorji Pallonji Forbes Shipping Limited Campbell Properties & Hospitality Services Limited Volkart Fleming Shipping and Services Limited
B Subsidiaries - Indirect	Aquamall Water Solutions Limited i) Aquadiagnostics Water Research & Technology Centre Limited ii) Forbes Lux International AG ◊ Lux International AG ● Lux Professional International Gmbh, Switzerland > Lux Aqua Hungary KFT > Lux Professional Gmbh, Germany (w.e.f. 22.12.2016) > Lux Professional Gmbh, Austria (w.e.f. 15.12.2016) > Lux Aqua Paraguay SA (w.e.f.1.12.2016) > Lux Waterline GmbH (w.e.f.29.04.2016) > Brightyclean (Spain) S.L. (w.e.f.10.08.2016) ● Lux Italia srl ● Forbes International AG > Lux / Sk / s.r.o ● Lux Schweiz AG ● Lux (Deutschland) GmbH > Lux Service GmbH > Lux Norge A/s > Lux Oesterreich GmbH > Lux CZ s.r.o > Lux Hungaria Kereskedelmi Kft ● LIAG Trading & Investment Limited EFL Mauritius Limited Euro Forbes Limited Dubai i) Forbes Lux FZCO Forbes Facility Services Pvt. Limited Forbes Enviro Solutions Limited Euro Forbes Financial Services Limited Forbes Campbell Services Limited Forbes Edumetry Limited (Under liquidation) Forbes Technosys Limited Forbesline Shipping Services LLC (Upto 19.08.2016)
C Fellow Subsidiaries (where there are transactions)	Afcons Infrastructure Limited Forvol International Services Limited Gokak Textiles Limited Shapoorji Pallonji Oil and Gas Pvt. Limited Sterling and Wilson Pvt. Limited SP Fabricators Pvt. Limited United Motors (India) Pvt. Limited
D Associates - Direct (where there are transactions)	Neuvo Consultancy Services Private Limited

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 - Continued

E	Jointly Ventures - Direct (where there are transactions)	Shapoorji Pallonji Bumi Armada Offshore Limited (fomerly known as Forbes Bumi Armada Offshore Limited) (Upto 13.10.2016)
E	Jointly Ventures - Indirect	Forbes Bumi Armada Limited
E	Jointly Ventures of Holding Company (where there are transactions)	HPCL Shapoorji Energy Pvt. Limited
F	Key Management Personnel ("KMP")	Managing Director, Mr. Ashok Barat (Upto 27.04.2016) Managing Director, Mr. Mahesh C. Tahilyani (w.e.f. 28.04.2016)

41. Related party disclosures (contd.)
Current Year
(b) transactions/ balances with above mentioned related parties

₹ in Lakhs

		Parties in A above	Parties in B above	Parties in C above	Parties in D above	Parties in E above	Parties in F above	Total
	Balances							
1	Trade Payables	793.26	106.65	4.61	275.34	-	-	**1,179.87**
2	Advances received from customer	-	-	590.56	-	-	-	**590.56**
3	Interest accrued	-	0.68	62.51	-	-	-	**63.19**
4	Trade Receivables	2.04	231.27	23.63	-	-	-	**256.94**
5	Non Current Loans	-	-	-	-	72.53	-	**72.53**
6	Contratually reimbursable expenses	-	702.36	27.64	-	-	-	**729.99**
7	Provision for Doubtful Loans and Advances	-	-	-	-	72.53	-	**72.53**
8	Provision for Doubtful Trade Receivables	-	-	7.81	-	-	-	**7.81**
9	Deposits Payable	-	-	48.25	23.79	-	-	**72.05**
10	Deposits Receivable	-	5.00	-	-	-	-	**5.00**
11	Investment in Debentures	-	320.46	-	-	-	-	**320.46**
12	Guarantees Given	-	19,819.89	-	-	-	-	**19,819.89**
13	Guarantees Taken	3,240.10	-	-	-	-	-	**3,240.10**
	Transactions							
	Purchases / Services							
14	Goods and Materials	-	1.63	-	-	-	-	**1.63**
15	Fixed Assets	42.36	-	-	-	-	-	**42.36**
	Sales / Services							
16	Goods and Materials	-	1.88	-	-	-	-	**1.88**
17	Sale of flats	-	-	1,211.80	-	-	-	**1,211.80**
18	Services Rendered	-	7.15	-	-	-	-	**7.15**
19	Fixed Assets / Investments	2.85	-	1,250.03	-	-	-	**1,252.88**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 - Continued

41. Related party disclosures (contd.) ₹ *In Lakhs*

Current Year

(b) transactions/ balances with above mentioned related parties

		Parties in A above	Parties in B above	Parties in C above	Parties in D above	Parties in E above	Parties in F above	Total
	Expenses							
20	Rent	-	8.60	-	-	-	-	**8.60**
21	Travelling and conveyance expenses	-	0.66	131.51	-	-	-	**132.17**
22	Legal and professional charges	17.73	99.00	-	210.51	-	-	**327.24**
23	Transportation, freight, handling and other charges	-	10.64	-	-	-	-	**10.64**
24	Real estate development expenses	2,318.61	-	-	150.15	-	-	**2,468.76**
25	Provision for doubtful loans and advances / Trade receivable	-	-	7.81	-	-	-	**7.81**
26	Trade receivables / advances written off / Loss on Capital reduction	-	1,931.50	-	-	-	-	**1,931.50**
27	Remuneration	-	-	-	-	-	117.38	**117.38**
28	Miscellaneous expenses	-	67.02	0.20	-	-	-	**67.22**
	Income							
29	Rent and Other Service Charges	16.44	254.67	175.60	95.17	-	-	**541.88**
30	Interest Received	-	170.50	69.45	-	-	-	**239.95**
31	Profit on sale / Rev. of Dim in the value of Investments / Sale of Assets	2.71	2,380.00	750.02	-	-	-	**3,132.73**
32	Guarantee Commission	-	59.22	-	-	-	-	**59.22**
33	Miscellaneous Income	-	-	11.77	-	-	-	**11.77**
	Other Receipts							
34	Other Reimbursements	-	111.64	24.36	114.26	-	-	**250.26**
	Finance							
35	Deposit Given	-	2.00	-	-	-	-	**2.00**
36	Repayment of Deposits Given	-	502.00	-	-	-	-	**502.00**
37	Purchase / Subscriptions to Investments	-	1,804.42	-	-	-	-	**1,804.42**
38	Advances received from customer	-	-	590.56	-	-	-	**590.56**
	Guarantees							
39	Given on behalf of a Subsidiary	-	2,500.00	-	-	-	-	**2,500.00**
40	Guarantee return	-	2,500.00	-	-	-	-	**2,500.00**

* Compensation of key managerial personnel

The remuneration of directors and other members of key managerial personnel during the year was as follows:

Particulars	
Short-term employee benefits	117.38
Total	**117.38**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 - Continued

41. Related party disclosures (contd.)

Current Year

(b) transactions/ balances with above mentioned related parties

₹ *In Lakhs*

		A	B	B	B	B	B	B	B	B	B	B
		Shapoorji Pallonji and Company Pvt. Ltd.	Eureka Forbes Ltd.	Aquamall Water Solutions Ltd.	Forbes Facility Services Pvt. Ltd.	Forbes Campbell Finance Ltd.	Forbes Campbell Services Ltd.	Forbes Technosys Ltd.	Forbes Bumi Armada Offshore Ltd	Forbes Container Lines Pte. Ltd.	Shapoorji Pallonji Forbes Shipping Limited	Volkart Fleming Shipping & Services Ltd.
	Balances											
1	Trade Payables	793.26	-	-	-	-	-	-	-	-	-	-
2	Advances received from customer	-	-	-	-	-	-	-	-	-	-	-
3	Interest accrued	-	-	-	-	-	-	-	-	-	-	-
4	Trade Receivables	-	-	-	-	-	-	224.78	-	-	-	-
5	Non current loans	-	-	-	-	-	-	-	-	-	-	-
6	Contratually reimbursable expenses	-	-	-	-	-	-	702.27	-	-	-	-
7	Provision for Doubtful Loans and Advances	-	-	-	-	-	-	-	-	-	-	-
8	Provision for Doubtful Trade Receivables	-	-	-	-	-	-	-	-	-	-	-
9	Deposits Payable	-	-	-	-	-	-	-	-	-	-	-
10	Deposits Receivable	-	-	-	-	5.00	-	-	-	-	-	-
11	Investment in Debentures	-	-	-	-	320.46	-	-	-	-	-	-
12	Guarantees Given	-	-	-	-	-	-	16,920.00	2,899.89	-	-	-
13	Guarantees Taken	3,240.10	-	-	-	-	-	-	-	-	-	-
	Transactions											
	Purchases / Services											
14	Goods and Materials	-	1.63	-	-	-	-	-	-	-	-	-
15	Fixed Assets	42.36	-	-	-	-	-	-	-	-	-	-
	Sales / Services											
16	Goods and Materials	-	-	1.88	-	-	-	-	-	-	-	-
17	Sale of flats	-	-	-	-	-	-	-	-	-	-	-
18	Services Rendered	-	-	-	-	-	-	-	-	7.15	-	-
19	Fixed Assets / Investments	-	-	-	-	-	-	-	-	-	-	-
	Expenses											
20	Rent	-	-	-	-	4.80	-	-	-	-	-	3.80
21	Travelling and conveyance expenses	-	-	-	-	-	-	-	-	-	-	-
22	Legal and professional charges	-	-	-	-	-	-	-	-	-	-	99.00
23	Transportation, freight, handling and other charges	-	-	-	-	-	-	-	-	10.64	-	-
24	Real estate development expenses	2,318.61	-	-	-	-	-	-	-	-	-	-
25	Provision for doubtful loans and advances / Trade receivable	-	-	-	-	-	-	-	-	-	-	-
26	Trade receivables / advances written off / Loss on Capital reduction	-	-	-	-	-	-	-	-	-	1,931.50	-
27	Remuneration	-	-	-	-	-	-	-	-	-	-	-
28	Miscellaneous expenses	-	-	-	19.97	-	47.04	-	-	-	-	-

41. Related party disclosures (contd.)
Current Year
(b) transactions/ balances with above mentioned related parties

₹ *In Lakhs*

		A	B	B	B	B	B	B	B	B	B	B
		Shapoorji Pallonji and Company Pvt. Ltd.	Eureka Forbes Ltd.	Aquamall Water Solutions Ltd.	Forbes Facility Services Pvt. Ltd.	Forbes Campbell Finance Ltd.	Forbes Campbell Services Ltd.	Forbes Technosys Ltd.	Forbes Bumi Armada Offshore Ltd	Forbes Container Lines Pte. Ltd.	Shapoorji Pallonji Forbes Shipping Limited	Volkart Fleming Shipping & Services Ltd.
	Income											
29	Rent and Other Service Charges	-	-	-	-	-	-	236.94	-	-	-	-
30	Interest Received	-	-	-	-	34.51	-	58.50	-	-	77.48	-
31	Profit on sale / Rev. of Dim in the value of Invests / Sale of Assets	-	-	-	-	-	-	-	-	-	2,380.00	-
32	Guarantee Commission	-	-	-	-	-	-	59.22	-	-	-	-
33	Miscellaneous Income	-	-	-	-	-	-	-	-	-	-	-
	Other Receipts											
34	Other Reimbursements	-	-	-	-	-	-	-	-	-	-	91.43
	Finance											
35	Deposit Given	-	-	-	-	-	-	-	1.00	-	1.00	-
36	Repayment of Deposits Given	-	-	-	-	-	-	500.00	-	-	-	-
37	Purchase / Subscriptions to Investments	-	-	-	-	-	-	1,804.42	-	-	-	-
38	Advances received from customer	-	-	-	-	-	-	-	-	-	-	-
	Guarantees											
39	Given on behalf of a Subsidiary	-	-	-	-	-	-	2,500.00	-	-	-	-
40	Guarantee Returned	-	-	-	-	-	-	2,500.00	-	-	-	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 - Continued

41. Related party disclosures (contd.)
Current Year
(b) transactions/ balances with above mentioned related parties

₹ *In Lakhs*

		C	C	C	C	C	D	D	E	F
		Afcons Infrastructure Ltd.	Forvol International Services Ltd.	Shapoorji Pallonji Oil & Gas Pvt. Ltd.	Sterling and Wilson Pvt. Ltd.	United Motors (India) Ltd.	HPCL Shapoorji Energy Pvt. Ltd.	Neuvo Consultancy Services Pvt. Ltd.	Edumetry Inc.	Managing Director
	Balances									
1	Trade Payables	-	-	-	-	-	-	275.34	-	-
2	Advances received from customer	-	-	-	-	590.56	-	-	-	-
3	Interest accrued	-	-	62.51	-	-	-	-	-	-
4	Trade Receivables	-	-	-	-	-	-	-	-	-
5	Non current loans	-	-	-	-	-	-	-	72.53	-
6	Contractually reimbursable expenses	-	-	-	-	-	-	-	-	-
7	Provision for Doubtful Loans and Advances	-	-	-	-	-	-	-	72.53	-
8	Provision for Doubtful Trade Receivables	-	-	-	7.81	-	-	-	-	-
9	Deposits Payable	-	-	48.25	-	-	23.79	-	-	-
10	Deposits Receivable	-	-	-	-	-	-	-	-	-
11	Investment in Debentures	-	-	-	-	-	-	-	-	-
12	Guarantees Given	-	-	-	-	-	-	-	-	-
13	Guarantees Taken	-	-	-	-	-	-	-	-	-
	Transactions									
	Purchases / Services									
14	Goods and Materials	-	-	-	-	-	-	-	-	-
15	Fixed Assets	-	-	-	-	-	-	-	-	-
	Sales / Services									
16	Goods and Materials	-	-	-	-	-	-	-	-	-
17	Sale of flats	-	-	-	-	1,211.80	-	-	-	-
18	Services Rendered	-	-	-	-	-	-	-	-	-
19	Fixed Assets / Investments	-	-	1,250.03	-	-	-	-	-	-
	Expenses									
20	Rent	-	-	-	-	-	-	-	-	-
21	Travelling and conveyance expenses	-	131.51	-	-	-	-	-	-	-
22	Legal and professional charges	-	-	-	-	-	-	210.51	-	-
23	Transportation, freight, handling and other charges	-	-	-	-	-	-	-	-	-
24	Real estate development expenses	-	-	-	-	-	-	-	-	-
25	Provision for doubtful loans and advances / Trade receivable	-	-	-	7.81	-	-	-	-	-
26	Trade receivables / advances written off / Loss on Capital reduction	-	-	-	-	-	-	-	-	-
27	Remuneration	-	-	-	-	-	-	-	-	117.38
28	Miscellaneous expenses	-	-	-	-	-	-	-	-	-

41. Related party disclosures (contd.)
Current Year
(b) transactions/ balances with above mentioned related parties

₹ *In Lakhs*

		C	C	C	C	C	D	D	E	F
		Afcons Infrastructure Ltd.	Forvol International Services Ltd.	Shapoorji Pallonji Oil & Gas Pvt. Ltd.	Sterling and Wilson Pvt. Ltd.	United Motors (India) Ltd.	HPCL Shapoorji Energy Pvt. Ltd.	Neuvo Consultancy Services Pvt. Ltd.	Edumetry Inc.	Managing Director
	Income									
29	Rent and Other Service Charges	59.40	-	96.50	-	-	95.17	-	-	-
30	Interest Received	-	-	69.45	-	-	-	-	-	-
31	Profit on sale / Rev. of Dim in the value of Invests / Sale of Assets	-	-	750.02	-	-	-	-	-	-
32	Guarantee Commission	-	-	-	-	-	-	-	-	-
33	Miscellaneous Income	-	-	11.77	-	-	-	-	-	-
	Other Receipts									
34	Other Reimbursements	-	-	-	-	-	-	114.26	-	-
	Finance									
35	Deposit Given	-	-	-	-	-	-	-	-	-
36	Repayment of Deposits Given	-	-	-	-	-	-	-	-	-
37	Purchase / Subscriptions to Investments	-	-	-	-	-	-	-	-	-
38	Advances received from customer	-	-	-	-	590.56	-	-	-	-
	Guarantees									
39	Given on behalf of a Subsidiary	-	-	-	-	-	-	-	-	-
40	Guarantee Returned	-	-	-	-	-	-	-	-	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 - Continued

41. Related party disclosures (contd.)

Previous Year

(b) transactions/ balances with above mentioned related parties

₹ in Lakhs

		Parties in A above	*Parties in B above*	*Parties in C above*	*Parties in D above*	*Parties in E above*	*Parties in F above*	***Total***
	Balances							
1	*Trade Payables*	95.74	146.65	4.75	32.26	-	-	**279.41**
2	*Advances received from customer*	4.03	-	-	-	-	-	**4.03**
3	*Interest accrued*	-	0.68	-	-	-	-	**0.68**
4	*Trade Receivables*	5.08	174.70	15.96	-	-	-	**195.74**
5	*Non current loans*	-	-	-	-	72.53	-	**72.53**
6	*Contractually reimbursable expenses*	-	488.88	12.83	-	-	-	**501.71**
7	*Provision for Doubtful Loans and Advances*	-	302.47	-	-	72.53	-	**375.01**
8	*Provision for Doubtful Trade Receivables*	-	-	7.81	-	-	-	**7.81**
9	*Deposits Payable*	-	-	48.25	-	-	-	**48.25**
10	*Deposits Receivable*	-	5.00	-	-	-	-	**5.00**
11	*Inter-corporate deposits receivable*	-	802.47	-	-	-	-	**802.47**
12	*Investment in Debentures*	-	287.67	-	-	-	-	**287.67**
13	*Guarantees Given*	-	26,952.94	-	-	-	-	**26,952.94**
14	*Guarantees Taken*	3,308.87	-	-	-	-	-	**3,308.87**
	Transactions							
	Purchases / Services							
15	*Fixed Assets*	401.51	-	-	-	-	-	**401.51**
	Sales / Services							
16	*Goods and Materials*	-	-	1.87	-	2.17	-	**4.04**
17	*Services Rendered*	0.98	132.30	3.67	-	-	-	**136.95**
	Expenses							
18	*Rent*	-	9.60	-	-	-	-	**9.60**
19	*Travelling and conveyance expenses*	-	0.25	131.51	-	-	-	**131.76**
20	*Legal and professional charges*	-	99.00	-	99.23	-	-	**198.23**
21	*Transportation, freight, handling and other charges*	-	143.73	-	-	-	-	**143.73**
22	*Real estate development expenses*	65.08	-	-	-	-	-	**65.08**
23	*Provision for doubtful loans and advances / Trade receivable*	-	302.47	7.81	-	0.51	-	**310.79**
24	*Remuneration*	-	-	-	-	-	142.72	**142.72**
25	*Miscellaneous expenses*	-	67.09	0.19	-	-	-	**67.27**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 - Continued

		Parties in A above	*Parties in B above*	*Parties in C above*	*Parties in D above*	*Parties in E above*	*Parties in F above*	***Total***
	Income							
26	*Rent and Other Service Charges*	*25.28*	*251.65*	*142.11*	-	-	-	***419.05***
27	*Interest Received*	-	*149.48*	-	-	-	-	***149.48***
28	*Guarantee Commission*	-	*59.22*	-	-	-	-	***59.22***
	Other Receipts							
29	*Other Reimbursements*	-	*99.03*	*23.48*	*46.92*	-	-	***169.43***
	Finance							
30	*Inter-corporate deposits given*	-	*1,302.47*	-	-	-	-	***1,302.47***
31	*Deposit Given*	*15.00*	*1.00*	-	-	*0.51*	-	***16.51***
32	*Repayment of Deposits Given*	*15.00*	*566.00*	-	-	-	-	***581.00***
33	*Investment in Subsidiaries*	-	*675.00*	-	-	-	-	***675.00***

* **Compensation of key managerial personnel**
The remuneration of directors and other members of key managerial personnel during the year was as follows:

Particulars	
Short-term employee benefits	*142.72*
Total	***142.72***

41. Related party disclosures (contd.)

Previous Year

(b) transactions/ balances with above mentioned related parties

₹ *In Lakhs*

		A	B	B	B	B	B	B	B	B	B
		Shapoorji Pallonji and Company Pvt. Ltd.	Forbes Facility Services Pvt. Ltd.	Forbes Campbell Finance Ltd.	Forbes Campbell Services Ltd.	Forbes Technosys Ltd.	Forbes Bumi Armada Offshore Ltd	Forbes Container Lines Pte. Ltd.	Shapoorji Pallonji Forbes Shipping Limited	Campbell Properties& Hospitality Services Ltd.	Volkart Fleming Shipping & Services Ltd.
	Balances										
1	Trade Payables	95.74	-	-	-	105.27	-	40.70	-	-	-
2	Advances received from customer	4.03	-	-	-	-	-	-	-	-	-
3	Interest accrued	-	-	0.68	-	-	-	-	-	-	-
4	Trade Receivables	-	-	-	-	170.79	-	-	-	-	-
5	Non current loans	-	-	-	-	-	-	-	-	-	-
6	Contratually reimbursable expenses	-	-	-	-	488.88	-	-	-	-	-
7	Provision for Doubtful Loans and Advances	-	-	-	-	-	-	302.47	-	-	-
8	Provision for Doubtful Trade Receivables	-	-	-	-	-	-	-	-	-	-
9	Deposits Payable	-	-	-	-	-	-	-	-	-	-
10	Deposits Receivable	-	-	5.00	-	-	-	-	-	-	-
11	Inter-corporate deposits receivable	-	-	-	-	500.00	-	302.47	-	-	-
12	Investment in Debentures	-	-	287.67	-	-	-	-	-	-	-
13	Guarantees Given	-	-	-	-	16,920.00	2,961.44	7,071.50	-	-	-
14	Guarantees Taken	3,308.87	-	-	-	-	-	-	-	-	-
	Transactions										
	Purchases / Services										
15	Fixed Assets	401.51	-	-	-	-	-	-	-	-	-
	Sales / Services										
16	Goods and Materials	-	-	-	-	-	-	-	-	-	-
17	Services Rendered	-	-	-	-	-	-	129.51	-	-	-
	Expenses										
18	Rent	-	-	4.80	-	-	-	-	-	-	4.80
19	Travelling and conveyance expenses	-	-	-	-	-	-	-	-	-	-
20	Legal and professional charges	-	-	-	-	-	-	-	-	-	99.00
21	Transportation, freight, handling and other charges	-	-	-	-	-	-	143.73	-	-	-
22	Real estate development expenses	65.08	-	-	-	-	-	-	-	-	-
23	Provision for doubtful loans and advances / Trade receivable	-	-	-	-	-	-	302.47	-	-	-
24	Remuneration	-	-	-	-	-	-	-	-	-	-
25	Miscellaneous expenses	-	19.06	-	44.40	-	-	-	-	-	-
	Income										
26	Rent and Other Service Charges	-	-	-	-	213.61	-	-	-	-	-
27	Interest Received	-	-	30.99	-	42.41	-	-	69.36	-	-
28	Guarantee Commission	-	-	-	-	59.22	-	-	-	-	-
	Other Receipts										
29	Other Reimbursements	-	-	-	-	18.23	-	-	-	-	80.77
	Finance										
30	Inter-corporate deposits given	-	-	-	-	1,000.00	-	302.47	-	-	-
31	Deposit Given	15.00	-	-	-	-	-	-	-	-	-
32	Repayment of Deposits Given	-	-	-	-	500.00	-	-	-	-	65.00
33	Investment in Subsidiaries	-	-	-	-	500.00	-	-	-	175.00	-

41. Related party disclosures (contd.)

Previous Year

(b) transactions/ balances with above mentioned related parties

₹ In Lakhs

		C	C	C	C	D	E	E	F
		Afcons Infrastructure Ltd.	Forvol International Services Ltd.	Shapoorji Pallonji Oil & Gas Pvt. Ltd.	Sterling and Wilson Pvt. Ltd.	Neuvo Consultancy Services Pvt. Ltd.	Edumetry Inc.	Forbes Aquatech Ltd.	Managing Director
	Balances								
1	Trade Payables	-	-	-	-	32.26	-	-	-
2	Advances received from customer	-	-	-	-	-	-	-	-
3	Interest accrued	-	-	-	-	-	-	-	-
4	Trade Receivables	-	-	-	-	-	-	-	-
5	Non current loans	-	-	-	-	-	72.53	-	-
6	Contratually reimbursable expenses	-	-	-	-	-	-	-	-
7	Provision for Doubtful Loans and Advances	-	-	-	-	-	72.53	-	-
8	Provision for Doubtful Trade Receivables	-	-	-	7.81	-	-	-	-
9	Deposits Payable	-	-	48.25	-	-	-	-	-
10	Deposits Receivable	-	-	-	-	-	-	-	-
11	Inter-corporate deposits receivable	-	-	-	-	-	-	-	-
12	Investment in Debentures	-	-	-	-	-	-	-	-
13	Guarantees Given	-	-	-	-	-	-	-	-
14	Guarantees Taken	-	-	-	-	-	-	-	-
	Transactions								
	Purchases / Services								
15	Fixed Assets	-	-	-	-	-	-	-	-
	Sales / Services								
16	Goods and Materials	-	-	-	1.87	-	-	2.17	-
17	Services Rendered	-	-	-	-	-	-	-	-
	Expenses								
18	Rent	-	-	-	-	-	-	-	-
19	Travelling and conveyance expenses	-	131.51	-	-	-	-	-	-
20	Legal and professional charges	-	-	-	-	99.23	-	-	-
21	Transportation, freight, handling and other charges	-	-	-	-	-	-	-	-
22	Real estate development expenses	-	-	-	-	-	-	-	-
23	Provision for doubtful loans and advances / Trade receivable	-	-	-	-	-	-	-	-
24	Remuneration	-	-	-	-	-	-	-	142.72
25	Miscellaneous expenses	-	-	-	-	-	-	-	-
	Income								
26	Rent and Other Service Charges	59.40	-	-	-	-	-	-	-
27	Interest Received	-	-	-	-	-	-	-	-
28	Guarantee Commission	-	-	-	-	-	-	-	-
	Other Receipts								
29	Other Reimbursements	21.14	-	-	-	46.92	-	-	-
	Finance								
30	Inter-corporate deposits given	-	-	-	-	-	-	-	-
31	Deposit Given	-	-	-	-	-	-	-	-
32	Repayment of Deposits Given	-	-	-	-	-	-	-	-
33	Investment in Subsidiaries	-	-	-	-	-	-	-	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 - Continued

42. Discontinuing operations

In January 2016, the Board had granted its approval for sale of the Shipping business comprising Container Freight Station (CFS) at Veshvi and Mundra and Logistics Service business on a slump sale basis. The Company also executed an Agreement to transfer assets dated 18th April, 2016 pertaining to its Logistics business and simultaneously completed the transaction. The Company has completed the slump sale of Mundra CFS in April, 2016 and Veshvi CFS in August, 2016. Accordingly, profit for the year ended 31st March, 2017 includes profit on slump sale of Veshvi and Mundra CFS and profit on sale of Logistics business amounting to ₹ 5,459.26 Lakhs and ₹ 331.01 Lakhs respectively. The same has been considered in profit of discontinued operations in the Statement of Profit and Loss for the year ended 31st March, 2017.

The following table summarises the financial information relating to discontinuing operation of "Shipping & Logistics" segment in accordance with the Ind AS 105 on "Discontinuing Operations".

₹ in Lakhs

Particulars	Continuing Operations		Discontinuing Operations		Total Operations	
	Year ended 31st March		Year ended 31st March		Year ended 31st March	
	2017	*2016*	**2017**	*2016*	**2017**	*2016*
Assets						
Non-current assets	**32,026.07**	*27,584.35*	**-**	*327.88*	**32,026.07**	*27,912.23*
Current assets	**17,927.59**	*12,030.28*	**-**	*4,151.54*	**17,927.59**	*16,181.82*
Total assets	**49,953.66**	*39,614.63*	**-**	*4,479.42*	**49,953.66**	*44,094.05*
Liabilities						
Non-current liabilities	**10,781.15**	*9,217.05*	**-**	*6.14*	**10,781.15**	*9,223.19*
Current liabilities	**15,021.39**	*19,390.00*	**-**	*947.11*	**15,021.39**	*20,337.11*
Total liabilites	**25,802.54**	*28,607.05*	**-**	*953.25*	**25,802.54**	*29,560.30*
Revenue and expenses						
Revenue						
Revenue from operations	**28,346.97**	*19,940.53*	**806.07**	*7,093.64*	**29,153.04**	*27,034.17*
Other income	**1,370.87**	*965.10*	**14.88**	*44.82*	**1,385.75**	*1,009.92*
Total revenue	**29,717.84**	*20,905.63*	**820.95**	*7,138.46*	**30,538.79**	*28,044.09*
Expenses						
Real estate development costs	**8,820.61**	*481.15*	**-**	-	**8,820.61**	*481.15*
Cost of materials consumed	**5,903.38**	*7,031.61*	**-**	-	**5,903.38**	*7,031.61*
Purchases of stock-in-trade	**33.55**	*12.62*	**-**	-	**33.55**	*12.62*
Changes in inventories of finished goods, work-in-progress and stock-in-trade	**(3,357.94)**	*(564.63)*	**-**	-	**(3,357.94)**	*(564.63)*
Employee benefits expense	**4,617.49**	*3,836.56*	**276.18**	*1,039.30*	**4,893.67**	*4,875.86*
Finance costs	**1,235.11**	*1,908.50*	**0.03**	*12.37*	**1,235.14**	*1,920.87*
Depreciation and amortisation expense	**597.63**	*497.30*	**1.64**	*303.95*	**599.27**	*801.25*
Other expenses	**8,524.54**	*8,205.30*	**1,155.39**	*6,564.48*	**9,679.93**	*14,769.78*
Total expenses	**26,374.37**	*21,408.41*	**1,433.24**	*7,920.10*	**27,807.61**	*29,328.51*
Profit / (Loss) before exceptional items and tax	**3,343.47**	*(502.78)*	**(612.29)**	*(781.64)*	**2,731.18**	*(1,284.42)*
Income from settlement of disputed matters	**-**	*652.05*	**-**	-	**-**	*652.05*
Profit on sale of investment	**750.01**	-	**-**	-	**750.01**	-
Arrears of Rental Income	**-**	*1,172.05*	**-**	-	**-**	*1,172.05*
Termination benefits and one time settlement with employees	**(78.09)**	-	**-**	-	**(78.09)**	-
(Provision)/Reversal for impairment in the value of investments	**2,380.00**	*(271.26)*	**-**	-	**2,380.00**	*(271.26)*
Loss on Capital Reduction of investment in equity shares of subsidiary	**(1,931.50)**	-	**-**	-	**(1,931.50)**	-
Court Case Settlement received	**-**	-	**-**	*46.98*	**-**	*46.98*
Profit / (Loss) before tax	**4,463.89**	*1,050.06*	**(612.29)**	*(734.66)*	**3,851.60**	*315.40*
Tax (credit) /expense	**(501.95)**	-	**-**	-	**(501.95)**	-
	(501.95)	-	**-**	-	**(501.95)**	-
Profit / (loss) after tax	**4,965.84**	*1,050.06*	**(612.29)**	*(734.66)*	**4,353.55**	*315.40*
Gain /(Loss) on disposal of operation	**-**	-	**5,438.06**	-	**5,438.06**	-
Attributable income tax expense	**-**	-	**130.48**	-	**130.48**	-
Net profit after tax	**4,965.84**	*1,050.06*	**4,695.29**	*(734.66)*	**9,661.13**	*315.40*
Cash Flow						
Cash flows (used in) / from operating activities	**(1,490.83)**	*4,769.98*	**(1,484.10)**	*(1,383.00)*	**(2,974.93)**	*3,386.98*
Cash flows from / (used in) investing activities	**(584.88)**	*(2,176.67)*	**9,254.30**	*(39.19)*	**8,669.42**	*(2,215.86)*
Cash flows (used in)/from financing activities	**2,450.46**	*(1,806.76)*	**(7,845.73)**	*1,399.90*	**(5,395.27)**	*(406.86)*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 - Continued

43. Ind AS 101 reconciliations

Effect of Ind AS adoption on the balance sheet as at 31st March, 2016 and 1st April, 2015

₹ in Lakhs

		As at 31st Mar., 2016			As at 1st Apr., 2015		
		(End of last period presented under previous GAAP)			(Date of transition)		
	Notes	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
Non-current assets							
(a) Property, plant and equipment		3,111.99	-	3,111.99	6,714.36	-	6,714.36
(b) Capital work-in-progress		553.58	-	553.58	5.74	-	5.74
(c) Investment properties		2,567.66	-	2,567.66	2,630.03	-	2,630.03
(d) Intangible assets							
(i) others		91.95	-	91.95	108.12	-	108.12
(ii) Intangible assets under development		22.07	-	22.07	22.07	-	22.07
(e) Financial assets							
(i) Investments	b & e	16,673.88	738.88	17,412.76	16,270.13	581.04	16,851.17
(ii) Loans		6.23	-	6.23	15.47	-	15.47
(iii) Other financial assets		160.56	-	160.56	178.17	-	178.17
(f) Tax assets							
(i) Deferred Tax Asset (net)		-	-	-	-	-	-
(ii) Current Tax Asset (Net)		3,203.23	-	3,203.23	2,834.34	-	2,834.34
(g) Other non-current assets		782.20	-	782.20	1,000.79	-	1,000.79
Total non-current assets		**27,173.35**	**738.88**	**27,912.23**	**29,779.22**	**581.04**	**30,360.26**
Current assets							
(a) Inventories		3,861.00	-	3,861.00	3,705.20	-	3,705.20
(b) Financial assets							
(i) Trade receivables		4,210.92	-	4,210.92	4,714.83	-	4,714.83
(ii) Cash and cash equivalents		1,359.11	-	1,359.11	594.85	-	594.85
(iii) Bank balances other than (iii) above		64.88	-	64.88	123.05	-	123.05
(iv) Loans		877.74	-	877.74	76.37	-	76.37
(v) Other financial assets		1,346.67	-	1,346.67	516.85	-	516.85
(c) Current tax assets (Net)				-			-
(d) Other current assets		565.91	-	565.91	613.79	-	613.79
		12,286.23	**-**	**12,286.23**	**10,344.94**	**-**	**10,344.94**
Assets classified as held for sale		3,895.59	-	3,895.59	-	-	-
Total current assets		**16,181.82**	**-**	**16,181.82**	**10,344.94**	**-**	**10,344.94**
Total Assets		**43,355.17**	**738.88**	**44,094.05**	**40,124.16**	**581.04**	**40,705.20**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 - Continued

₹ in Lakhs

		As at 31st Mar., 2016			As at 1st Apr., 2015		
		(End of last period presented under previous GAAP)			(Date of transition)		
	Notes	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
Equity							
Equity share capital		1,289.86	-	1,289.86	1,289.86	-	1,289.86
Other equity	f	12,456.50	787.38	13,243.88	12,234.81	656.20	12,891.01
Total equity		**13,746.36**	**787.38**	**14,533.74**	**13,524.67**	**656.20**	**14,180.87**
Non-current liabilities							
Financial liabilities							
(i) Borrowings	a	8,360.34	(37.26)	8,323.08	8,251.01	(55.11)	8,195.90
(ii) Other financial liabilities	c & d	693.22	(137.56)	555.66	1,025.90	(131.55)	894.35
Provisions		327.96	-	327.96	364.36		364.36
Other non-current liabilities		16.50	-	16.50	67.03	-	67.03
Total non-current liabilities		**9,398.02**	**(174.82)**	**9,223.20**	**9,708.30**	**(186.66)**	**9,521.64**
Current liabilities							
Financial liabilities							
(i) Borrowings		4,239.92	-	4,239.92	1,780.06	-	1,780.06
(ii) Trade and other payables	d	3,663.48	4.60	3,668.08	3,870.96	-	3,870.96
(iii) Other financial liabilities	c	6,839.60	121.72	6,961.32	8,297.45	111.50	8,408.95
Provisions		1,451.46	-	1,451.46	1,057.65	-	1,057.65
Current tax liabilities (Net)		671.26	-	671.26	735.65	-	735.65
Other current liabilities		2,909.84	-	2,909.84	1,149.42	-	1,149.42
		19,775.56	**126.32**	**19,901.88**	**16,891.19**	**111.50**	**17,002.69**
Liabilities directly associated with assets classified as held for sale		435.23	-	435.23	-	-	-
Total current liabilities		**20,210.79**	**126.32**	**20,337.11**	**16,891.19**	**111.50**	**17,002.69**
Total liabilities		**29,608.81**	**(48.50)**	**29,560.31**	**26,599.49**	**(75.16)**	**26,524.33**
Total equity and liabilities		**43,355.17**	**738.88**	**44,094.05**	**40,124.16**	**581.04**	**40,705.20**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 - Continued

Reconciliation of total equity as at 31st March, 2016 and 1st April, 2015

₹ in Lakhs

	Notes	As at 31st Mar., 2016 (End of last period presented under previous GAAP)	As at 1st Apr., 2015 (Date of transition)
Total equity / shareholders' funds under previous GAAP		13,746.36	13,524.67
Adjustments:-			
Measurement of Financial Liabilities at amortised cost	a	37.26	55.11
Measurement of investments in preference shares and debentures of subsidiaries at its amortised cost / fair value	b	573.02	474.40
Amortisation of advance rent element of rental security deposit	c	132.58	131.55
Impact of recognition of notional lease rental income on straight line basis	c	(121.72)	(111.50)
Reversal of forward premium already recognised in IGAAP.	d	4.98	-
Reversal of exchange loss already recognised in IGAAP and loss on MTM measurement of forward exchange contracts	d	(4.60)	-
Financial Guarantees recognised at fair value	e	165.86	106.64
Total adjustment to equity	f	787.38	656.20
Total equity under Ind AS		14,533.74	14,180.87

Effect of Ind AS adoption on the statement of profit and loss for the year ended 31st March, 2016

	Notes	Year ended 31st Mar., 2016 (Latest period presented under previous GAAP)		
		Previous GAAP	Effect of transition to Ind AS	Ind AS
Revenue from Operations		19,939.50	1.03	19,940.53
Other income	b,d & e	811.84	153.26	965.10
Total Income		**20,751.34**	**154.29**	**20,905.63**
Expenses				
Real estate development costs		481.15	-	481.15
Cost of materials consumed		7,031.61	-	7,031.61
Purchases of stock-in-trade		12.62	-	12.62
Changes in inventories of finished goods, stock-in-trade and work-in-progress		(564.63)	-	(564.63)
Employee benefits expense	f	3,831.32	5.24	3,836.56
Finance costs	a,c & d	1,885.40	23.10	1,908.50
Depreciation and amortisation expense		497.30	-	497.30
Other expenses	f	8,173.01	32.29	8,205.30
Total expenses		**21,347.78**	**60.63**	**21,408.41**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 - Continued

	Notes	Year ended 31st Mar., 2016 (Latest period presented under previous GAAP)		
		Previous GAAP	Effect of transition to Ind AS	Ind AS
Profit before exceptional items and tax		(596.45)	93.67	(502.78)
Exceptional items		1,552.84	-	1,552.84
Profit before tax		**956.39**	**93.67**	**1,050.06**
Tax expense				
(1) Current tax		-	-	-
(2) Deferred tax		-	-	-
		-	-	-
Profit for the period from continuing operations (I)		956.39	93.67	1,050.06
Profit from discontinued operations before tax	f	(734.71)	0.05	(734.66)
Profit from discontinued operations (after tax) (II)		(734.71)	0.05	(734.66)
Profit for the period (III=I+II)		**221.69**	**93.71**	**315.40**
Other Comprehensive Income				
A (i) Items that will not be reclassified to profit or loss				
a) Remeasurements of the defined benefit plans	f	-	37.48	37.48
Total A (i)		-	37.48	37.48
Total other comprehensive income [IV=A]		-	37.48	37.48
Total comprehensive income for the period (III+IV)		**221.69**	**131.19**	**352.88**

Reconciliation of total comprehensive income for the year ended 31st March, 2016

₹ in Lakhs

Profit as per previous GAAP		**221.69**
Adjustments:		
Measurement of financial liabilities at amortised cost	a	(17.85)
Measurement of financial assets at amortised cost	b	98.62
Recognition of Rent element of security deposits	c	(9.19)
Measurement of forward exchange contracts at fair value	d	0.38
Financial Guarantees recognised at fair value	e	59.23
Remeasurements of defined benefit obligation recognised in other comprehensive income under Ind AS (net of tax)	f	(37.48)
Total effect if transition to Ind AS		**93.71**
Profit for the year as per Ind AS		**315.40**
Other comprehensive income for the year (net of tax)		
Actuarial gain on employee defined benefit plans recognized in Other Comprehensive Income	f	37.48
Total comprehensive income under Ind AS		**352.88**

Note: Under previous GAAP, total comprehensive income was not reported. Therefore, the above reconciliation starts with profit under the previous GAAP.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 - Continued

Effect of Ind AS adoption on the statement of cash flows for the year ended 31st March, 2016

₹ in Lakhs

	Notes	Year ended 31st Mar., 2016 (Latest period presented under previous GAAP)		
		Previous GAAP	Effect of transition to Ind AS	Ind AS
Net cash flows from operating activities		3,487.34	-	3,487.34
Net cash flows from investing activities		(2,316.21)	-	(2,316.21)
Net cash flows from financing activities		(406.87)	-	(406.87)
Net increase (decrease) in cash and cash equivalents		**764.26**	**-**	**764.26**
Cash and cash equivalents at the beginning of the period		**594.85**	-	**594.85**
Cash and cash equivalents at the end of the period		**1,359.11**	**-**	**1,359.11**

Analysis of cash and cash equivalents as at 31st March, 2016 and as at 1st April, 2015 for the purpose of statement of cash flows under Ind AS

	Notes	As at 31st Mar., 2016 (End of last period presented under previous GAAP)	As at 1st Apr., 2015 (Date of transition)
Cash and cash equivalents for the purpose of statement of cash flows as per previous GAAP		1,359.11	594.85
Cash and cash equivalents for the purpose of statement of cash flows under Ind AS		1,359.11	594.85

Notes

a) Under Previous GAAP borrowings were carried at cost and transaction cost were charged to profit and loss as and when incurred. Under Ind AS, transaction cost incurred towards origination of borrowings is required to be deducted from the carrying amount of borrowings on initial recognition. These cost are recognised in the statement of profit and loss over the tenure of the borrowing as part of interest expense by applying effective interest rate method. Accordingly, borrowings for the year ended 31st March, 2016 have been increased by ₹ 17.85 lakhs and reduced by ₹ 55.12 lakhs as at 1st April, 2015.

b) Under previous GAAP, long term investments in preference shares and debentures of subsidiaries (investments) made at below market rate/interest free were measured at cost less diminution in value which is other than temporary. In previous GAAP, there was no specific guidance on accounting for investments in instruments that are below market rate/interest free. Under Ind AS, the cost of below market rate/interest free investments is measured as the difference between their initial carrying amount determined in accordance with Ind AS 109 and the amount of loan given. After initial recognition, the investment has been subsequently carried at fair value through Profit or Loss i.e. interest based on market rate has been recognised as fair value. Thus considering the criteria of Ind AS, the investments have increased by ₹ 98.62 Lakhs for the year ended 31st March, 2016 and by ₹ 474.40 Lakhs as at 1st April, 2015. The total equity increased by an equivalent amount.

c) Under previous GAAP, there was no specific guidance on accounting for interest free rental deposits. Hence, these were recognised and carried at the amount given. Whereas in Ind AS, the prepaid rent is measured as the difference between the initial carrying amount of the deposit determined in accordance with Ind AS 109 and the amount of deposit given. The Company has given interest free security deposit of ₹ 417.42 Lakhs as on 1st April, 2015 and the fair value on initial recognition is estimated to be ₹ 284.84 Lakhs. The difference of ₹ 132.58 Lakhs has been treated as prepaid rent under Ind AS and is recognised in the statement of profit and loss over the period of lease. After initial recognition, the rental deposit has been subsequently carried at amortized cost i.e. interest based on market rate has been recognised under the effective interest rate method as part of finance cost. The net effect of these changes is an increase in total equity of ₹ 10.86 Lakhs as at 31st March, 2016 and of ₹ 20.05 Lakhs as at 1st April, 2015.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 - Continued

d) Under previous GAAP, premium paid for derivative contracts was amortized over the term of the derivative contracts whereas under Ind AS the derivative contracts are measured at FVTPL. Thus, the unamortized premium as of March 15 has been charged off to retained earnings and Derivative contracts have been recognized at Fair value resulting into net increase in Profit & Loss of ₹ 4.98 Lakhs for the year ended 31st March, 2016. The loss on MTM measurement of forward exchange contracts amount to ₹ 4.60 Lakhs for the year ended 31st March, 2016.

e) Under Ind AS, financial guarantee contracts are accounted as financial liabilities and measured initially at fair value and subsequently at the higher of i) amount of loss allowance determined in accordance with impairment requirements of Ind AS 109 and the amount initially recognised less when appropriate, the cumulative amount of income recognised in accordance with principles of Ind AS 18. Under previous GAAP, these were not recognised in the balance sheet. As these financial guarantee have been given towards loans taken by its group entities, notional financial guarantee commission income has been recognized with the corresponding increase in the investment in the respective group entities resulting into increase in investment by ₹ 59.23 Lakhs as at 31st March, 2016 and ₹ 106.64 Lakhs as at 1st April, 2015 with corresponding increase in Equity.

f) Under previous GAAP, acturial gain or losses were recognised in profit or loss. Under Ind AS, acturial gain and losses form parrt of remeasurement of the net defined benefits liability/asset which is recognised in other comprehensive income. Consequently, the tax effect of the same has also been recognised in other comprehensive income under Ind AS instead of the statement of profit & loss. The acturial gains for the year ended 31st March, 2016 were ₹ 37.48 lakhs and the tax effect thereon ₹ Nil. This does not affect total equity, but there is a decrease in profit before tax and in total profit of ₹ 37.48 lakhs for year ended 31st March, 2016.

44. Segment reporting

The Chief Operating Decision maker of the Company examines Company's performance both from a product and from a geographic perspective. From a product perspective, the management has identified the reportable segments Engineering and Real Estate at standalone level as follows:
The "Shipping and logistics services" segment has been discontinued. The Company caters to the needs of the domestic and export markets.

Segment revenue, segment results, segment assets and segment liabilities include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 - Continued

(a) Information about reportable segments for the year: ₹ in Lakhs

Particulars	Continued Operations						Discontinuing Operations				Total Operations	
	Engineering		Real estate		Total		Shipping and logistics services		Elimination		Total	
	31st Mar., 2017	31st Mar., 2016	31st Mar., 2017	31st Mar., 2016	31st Mar., 2017	31st Mar., 2016	31st Mar., 2017	31st Mar., 2016	31st Mar., 2017	31st Mar., 2016	31st Mar., 2017	31st Mar., 2016
Segment Revenue	**17,362.72**	*18,464.61*	**10,984.25**	*2,647.97*★	**28,346.97**	*21,112.58*	**806.07**	*7,093.64*				
Inter segment revenue	**-**	-	**34.04**	*72.35*	**34.04**	*72.35*	**-**	*4.19*	**(34.04)**	*(76.54)*		
Revenue from operations	**17,362.72**	*18,464.61*	**11,018.29**	*2,720.32*	**28,381.01**	*21,184.93*	**806.07**	*7,097.83*	**(34.04)**	*(76.54)*	**29,153.04**	*28,206.22*
Segment Results	**1,802.81**	*1,795.21*	**5,279.92**	*2,147.93*	**7,082.73**	*3,943.14*	**(965.65)**	*(770.41)*	**-**	-	**6,117.08**	*3,172.73*
Exceptional items allocated to segments	**-**	-	**-**	-	**-**	-	**5,790.27**	*46.98*	**-**	-	**5,790.27**	*46.98*
Segment Results - after exceptional items	**1,802.81**	*1,795.21*	**5,279.92**	*2,147.93*	**7,082.73**	*3,943.14*	**4,824.61**	*(723.43)*	**-**	-	**11,907.35**	*3,219.71*
Add: Unallocated income											**1,426.54**	*848.76*
Add/Less: Unallocated expenses											**2,610.77**	*(2,166.00)*
Add/Less: Exceptional items other than related to segments (net)											**(5,419.86)**	*333.81*
Profit before tax and finance costs											**10,524.80**	*2,236.28*
Less: Finance costs											**1,235.14**	*1,920.88*
Profit before tax											**9,289.66**	*315.40*
Provision for taxation:												
Current tax expense											**1,200.00**	-
Deferred tax											**(1,571.47)**	-
Profit after tax											**9,661.13**	*315.40*
Capital employed												
Segment assets	**10,633.57**	*10,219.56*	**11,852.58**	*5,138.77*			**-**	*4,285.76*			**22,486.15**	*19,644.09*
Unallocated corporate assets											**27,467.51**	*24,449.96*
Total assets											**49,953.66**	*44,094.05*
Segment liabilities	**3,902.48**	*4,302.02*	**6,845.93**	*3,564.36*			**-**	*953.25*			**10,748.41**	*8,819.63*
Unallocated corporate liabilities											**15,054.13**	*20,740.67*
Total liabilities											**25,802.54**	*29,560.30*
Capital employed	**6,731.09**	*5,917.54*	**5,006.65**	*1,574.41*			**-**	*3,332.51*			**24,151.12**	*14,533.75*
Cost incurred to acquire segment assets including adjustments on account of capital work-in-progress	**1,392.60**	*306.87*	**80.50**	*519.16*			**30.02**	*39.52*			**1,503.12**	*865.55*
Unallocated cost incurred to acquire assets including adjustments on account of capital work-in-progress											**24.07**	*56.47*
Total capital expenditure											**1,527.19**	*922.02*
Segment depreciation / amortisation	**435.27**	*348.58*	**109.03**	*102.51*			**1.64**	*303.96*			**545.94**	*755.05*
Unallocated corporate depreciation / amortisation											**53.33**	*46.20*
Total depreciation / amortisation											**599.27**	*801.25*
Non-cash segment expenses other than depreciation	**86.99**	*136.85*	**-**	*3.74*			**3.54**	*30.48*			**90.53**	*171.07*
Unallocated non-cash expenses other than depreciation											**914.85**	*37.22*
Total non-cash expenses other than depreciation											**1,005.38**	*208.29*

(b) Information about geographical business segment for the year

	Within india		Outside india		Unallocated		Total	
	31st Mar., 2017	31st Mar., 2016	31st Mar., 2017	31st Mar., 2016	31st Mar., 2017	31st Mar., 2016	31st Mar., 2017	31st Mar., 2016
Revenue	**26,510.00**	*26,218.71*	**2,643.04**	*1,987.51*	**-**	-	**29,153.04**	*28,206.22*
Non-current Assets	**7,915.93**	*7,129.45*	**-**	-	**3,031.79**	*3,203.23*	**10,947.72**	*10,332.68*
Cost incurred to acquire segment assets including adjustments on account of capital work-in-progress	**1,503.12**	*865.55*	**-**	-	**24.07**	*56.47*	**1,527.19**	*922.02*

★ **Includes ₹ 1,172 Lakhs towards arrears of rental income classified as an exceptional item.**

(c) Information about major customers

No single customers contributed 10% or more to the Company's revenue for the year ended 31st March, 2017 and 31st March, 2016.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 - Continued

45. Details of Cash Transactions for the period from 08.11.2016 to 30.12.2016

₹ in Lakhs

	SBN's	Other Denomination notes	Total
Closing cash in hand as on 08.11.2016	6.17	6.97	13.14
(+) Permitted receipts	-	12.89	12.89
(-) Permitted payments	-	(11.92)	(11.92)
(-) Amount deposited in Banks	(6.17)	-	(6.17)
Closing cash in hand as on 30.12.2016	-	7.94	7.94

46. Additional disclosure as required by Regulation 34(3) and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

₹ in Lakhs

S.No.	Name	Balance as at 31st Mar., 2017	Maximum amount outstanding during the year	No. of shares of the Company held by the loanees as at 31st Mar., 2017
	Loans and advances in the nature of loans to Subsidiaries, Associates and companies in which Directors are interested:			
1.	Forbes Edumetry Limited - Subsidiary	-	-	-
	(carrying no interest)	★ -	*0.52*	-
2.	Edumetry INC - Joint Venture	★ **72.53**	**72.53**	-
	(carrying no interest)	★ *72.53*	*72.53*	-
3.	Forbes Technosys Limited - Subsidiary	-	-	-
		500.00	*1,000.00*	-
4.	Forbes Container Lines Pte. Limited - Subsidiary	★ **302.47**	**302.47**	-
	(carrying no interest)	★ *302.47*	*302.47*	-

Note: ★ Provided as doubtful
The above excludes loans to employees.
Figures in italics are in respect of the previous years.

47.(a) In respect of loans given to Coromondal Garments Limited, The Company had made full provision amounting to ₹ 364.99 Lakhs in an earlier year and had also stopped accruing interest thereon due to uncertainty as to recoverability of loans and interest, in view of ongoing liquidation process of Coromondal Garments Limited.

Subsequent to the previous year end, on the basis of order passed by the Hon'ble High Court, Mumbai, the Company has received ₹ 1,017.04 Lakhs from Hon'ble Debt Recovery Tribunal, Mumbai as part satisfaction of amount due. The amount received by the Company is after setting aside amount for securing the claim of the workmen of the company in liquidation. The company's status as a secured creditor is not disputed by the official liquidator.

Considering the above, management is of the view that possibility of amount becoming refundable upon final outcome of this matter is remote. The Company has therefore during the previous year reversed the provision amounting to ₹ 364.99 Lakhs towards the loans and advances and accounted the balance amount of ₹ 652.05 Lakhs as interest income. This has been disclosed as an exceptional item at Note no. 32 B to the statement of profit and loss account of the Company.

(b) Secured Loans and advances include interest free loans, relating to which full provision exists in books of accounts, aggregating ₹ 4,391.78 Lakhs as at 31st March, 2017 *(31st March, 2016 ₹ 4,391.78 Lakhs)* granted to The Svadeshi Mills Company Limited. The Company, being a secured creditor, with adjudicated dues by the Official Liquidator, expects to receive the dues when the matter is ultimately disposed off.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 - Continued

48. Details of costs and revenue in respect of Project in progress:

Methods used to determine the project revenue : Percentage Completion Method
Methods used to determine the stage of completion : The proportion that Project costs incurred for work performed upto the balance sheet date bear to the estimated total project costs.

₹ in Lakhs

	2016-17	*2015-16*
Project revenue recognised during the year	**9,420.03**	-
Aggregate of Project costs incurred upto the reporting date	**5,540.48**	*1,524.45*
Profit recognised upto the reporting date	**3,722.86**	-
Advance received for projects in progress as at the reporting date (net of revenue recognised)	**143.52**	*1,984.84*
Amount of work-in-progress and the value of inventories as at the reporting date	**4,804.58**	*1,524.45*
Unbilled Revenue	**-**	-

(Unbilled revenue represents future instalments receivables from customers based on revenue recognised till balance sheet date)

49. Particulars of loan given / Investments made / guarantees given, as required by clause (4) of Section 186 of the Companies Act, 2013

₹ in Lakhs

Name		**During the year**		**Closing balance**	**Period**	**Rate of Interest (%)**	**Purpose**
		Given	**Returned**				
A	**Investments made (refer Note 8)**						
B	**Loans given**						
1	The Svadeshi Mills Company Limited	-	-	**4,391.78 ***	**N.A.**	**N.A.**	General corporate purpose
		-	-	*4,391.78 **	*N.A.*	*N.A.*	
2	Coromandal Garments Limited	-	-	-	-	**N.A.**	General corporate purpose
		-	-	*364.99 **	*N.A.*	*N.A.*	
3	Edumetry Inc. USA	-	-	**72.53 ***	**N.A.**	**N.A.**	General corporate purpose
		-	-	*72.53 **	*N.A.*	*N.A.*	
4	Forbes Technosys Limited	-	-	-	-	-	General corporate purpose
		1,000.00	*500.00*	*500.00*	*On Demand*	*12%*	
5	Forbes Container Line Pte Limited	-	-	**302.47 ***	**On Demand**	**12%**	General corporate purpose
		302.47	-	*302.47 **	*On Demand*	*12%*	
C	**Guarantees given**						
1	Forbes Bumi Armada Offshore Limited	-	-	**2,899.89 @**	**N.A.**	**N.A.**	**N.A.**
		-	-	*2,961.44 @*	*N.A.*	*N.A.*	
2	Forbes Technosys Limited	-	-	**4,420.00**	**Continuing**	**N.A.**	Working Capital
		-	-	*4,420.00*	*Continuing*	*N.A.*	
		2,500.00	**2,500.00**	**12,500.00**	**3 years**	**N.A.**	General corporate purpose
		-	-	*12,500.00*	*3 years*	*N.A.*	

Note:

* Provided as doubtful

@ Guarantee given $ 44,75,000 *(Previous year $ 44,75,000)* difference is on account of foreign exchange fluctuations.

Figures in italics are in respect of the previous years.

50. The Board of Directors of the Company has recommended a dividend of ₹ 2.50 (25%) per equity share for the year ended 31st March, 2017. There is no other material subsequent event occurred after balance sheet date.

51. The financial statements were approved by the Board of Directors of the Company at their respective meetings held on 24th May, 2017 which concluded on 25th May, 2017.

NIRMAL JAGAWAT	SHAPOOR P. MISTRY	*Chairman*
Chief Financial Officer	MAHESH C. TAHILYANI	*Managing Director*
	KAIWAN D. KALYANIWALLA	
PANKAJ KHATTAR	D. SIVANANDHAN	*Directors*
Company Secretary	JAI L. MAVANI	
	ASLESHA GOWARIKER	

Mumbai, 25th May, 2017

CONSOLIDATED FINANCIAL STATEMENTS FORMING PART OF ANNUAL REPORT OF FORBES & COMPANY LIMITED FOR THE YEAR ENDED 31ST MARCH, 2017

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF FORBES & COMPANY LIMITED

Report on the consolidated Ind AS financial statements

We have audited the accompanying consolidated Ind AS financial statements of **FORBES & COMPANY LIMITED** (hereinafter referred to as "the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), its associates and its joint ventures, comprising the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's responsibility for the consolidated Ind AS financial statements

The Parent's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and statement of changes in equity of the Group including its associates and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and its joint ventures and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Parent, as aforesaid.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Parent's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Parent's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated Ind AS financial statements.

Basis for qualified opinion

Attention is invited to Note 57 to the consolidated Ind AS financial statements, regarding an Indian subsidiary, namely, Eureka Forbes Limited, where the consolidated Ind AS financial statements have been audited by other auditors, the other auditors have qualified their opinion stating that certain trade receivables aggregating ₹ 5,031.94 lakhs have been excluded for the purpose of determining loss allowance as required under Ind AS 109. The other auditor are unable to comment on the impact thereof.

Qualified opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate / consolidated Ind AS financial statements of the subsidiaries, associates and joint ventures referred to below in the Other Matters paragraph, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint ventures as at March 31, 2017, and their consolidated profits, consolidated total comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Emphasis of matter

We draw attention to the following in the consolidated Ind AS financial statements in respect of one subsidiary group, namely, Eureka Forbes Limited Group, where the consolidated financial statements have been audited by other auditors, the other auditors have drawn emphasis of matter in their report:

(i) Note 53 in respect of no further impairment of goodwill on consolidation for the reasons stated therein.

(ii) Note 40(C)(c) in respect of legal dispute of ₹ 315.21 lakhs pending under arbitration between one of the subsidiary i.e. Forbes Facility Services Private Limited and their customer.

Our opinion is not modified in respect of these matters.

Other matters

(a) We did not audit the financial statements of 36 subsidiaries, whose financial statements reflect total assets of ₹ 224,749.81 lakhs as at March 31, 2017, total revenues of ₹ 252,139.82 lakhs and net cash inflows amounting to ₹ 4,876.68 lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's

share of net profit of ₹ 1,864.48 lakhs for the year ended March 31, 2017, as considered in the consolidated Ind AS financial statements, in respect of 2 associates and 8 joint ventures, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associates, and our report in terms of section 143(3) of the Act, in so far as it relates to the aforesaid subsidiaries, joint ventures and associates, is based solely on the reports of the other auditors.

In case of one subsidiary group, namely, Eureka Forbes Limited Group (EFL Group), where the consolidated financial statements have been audited by other auditors, the other auditors have stated that certain subsidiaries / joint ventures / associates of EFL group are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by their auditors under generally accepted auditing standards applicable in their respective countries. The management of EFL Group has converted the financial statements of such subsidiaries / joint ventures / associates located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. Auditors of EFL Group have audited these conversion adjustments made by the Company's management. Auditors of EFL group have stated that their opinion in so far as it relates to the balances and affairs of such subsidiaries / joint ventures / associates located outside India is based on the report of their auditor and the conversion adjustments prepared by the management of the EFL group and audited by them.

(b) The consolidated Ind AS financial statements include the Group's share of net profit of ₹ Nil for the year ended March 31, 2017 as considered in the consolidated Ind AS financial statements, in respect of 1 associate whose financial statements and other financial information have not been audited by us. These financial statements / financial information is unaudited and have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information are not material to the Group.

(c) The comparative financial information for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015 in respect of 32 subsidiaries, 8 joint ventures and 3 associates ventures included in this consolidated Ind AS financial statements prepared in accordance with Ind AS have been audited by other auditors and have been relied upon by us.

Our opinion on the consolidated Ind AS financial statements above, and our report on Other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on other legal and regulatory requirements

1. We draw attention to Note 61 to the consolidated Ind AS financial statements relating to loans given to The Svadeshi Mills Company Limited, aggregating ₹ 4,391.78 lakhs in respect of which full provision has been made, arising inter alia from our enquiry under section 143(1)(a) of the Act.

2. As required by section143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate / consolidated financial statements and the other financial information of the subsidiaries, associates and joint venture companies incorporated in India, referred in the Other matters paragraph above, we report, to the extent applicable, that:

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

(b) In our opinion, except for the possible effect of the matters described in the Basis for qualified opinion paragraph above, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

(d) In our opinion, except for the possible effect of the matters described in the Basis for qualified opinion paragraph above, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Parent as on March 31, 2017 taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of its subsidiary companies, associate companies and joint venture companies incorporated in India, none of the directors of the Group companies, its associate companies and its joint venture companies incorporated in India is disqualified as on March 31, 2017 from being appointed as a director in terms of section 164(2) of the Act.

(f) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for qualified opinion paragraph above.

(g) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate report in Annexure "A", which is based on the auditor's reports of the Parent, subsidiary companies, associate companies and joint venture companies incorporated in India. Our report expresses a qualified opinion on the adequacy and operating effectiveness of a subsidiary company's incorporated in India, internal financial controls over financial reporting.

(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 Auditor's)

Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and its joint ventures – Refer Note 40 to the consolidated Ind AS financial statements.

ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 42 to the consolidated Ind AS financial statements.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies, associate companies and joint venture companies incorporated in India.

iv. The Parent has provided requisite disclosures in the consolidated Ind AS financial statements as regards the holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated November 8, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016 of the Group entities as applicable. Based on audit procedures performed and the representations provided to us by the management, we report that the disclosures are in accordance with the relevant books of accounts maintained by those entities for the purpose of preparation of the consolidated Ind AS financial statements and as produced to us and the other auditors by the Management of the respective Group entities – Refer Note 49 to the consolidated Ind AS financial statements.

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

Nilesh Shah
Partner
Membership No. 49660

MUMBAI, May 25, 2017

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(g) under 'Report on other legal and regulatory requirements' section of our report of even date to the members of Forbes & Company Limited on the consolidated Ind AS financial statements for the year ended March 31, 2017)

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")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of **FORBES & COMPANY LIMITED** (hereinafter referred to as "the Parent") and its subsidiary companies, its associate companies and joint venture companies, which are companies incorporated in India, as of that date.

Management's responsibility for Internal Financial Controls

The respective Board of Directors of the Parent, its subsidiary companies, its associate companies and joint venture companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note 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 the respective 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 internal financial controls over financial reporting of the Parent, its subsidiary companies, its associate companies and its joint venture companies, which are companies incorporated in India, 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 ICAI and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 and the audit evidence obtained by the other auditors of the subsidiary companies, associate companies and joint venture companies, which are companies incorporated in India, in terms of their reports referred to in the Other matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the internal financial controls system over financial reporting of the Parent, its subsidiary companies, its associate companies and its joint venture companies, which are companies incorporated in India.

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.

Basis for qualified opinion

In respect of one of the subsidiary, in our opinion a material weakness has been identified in the operating effectiveness of the subsidiary's internal financial control over financial reporting as at March 31, 2017 with respect of evaluation of provision for expected credit loss for certain trade receivables (described in Note 57 to the consolidated Ind AS financial statements) which could potentially result in the inappropriate determination of expected credit loss.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

Qualified opinion

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other matters paragraph below, the Parent, its subsidiary companies, its associate companies and its joint venture companies, which are companies incorporated in India have, in all material respects, maintained adequate internal financial controls system over financial reporting as at March 31, 2017, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI and except for the effects / possible effects of the material weakness described in Basis for qualified opinion paragraph above on the achievement of the objectives of the control criteria, the Parent's and its subsidiary companies, associate companies and jointly controlled companies internal financial controls over financial reporting were operating effectively as on March 31, 2017.

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated Ind AS financial statements of the Company for the year ended March 31, 2017, and the material weakness does not affect our opinion on the said consolidated Ind AS financial statements of the Company.

Other matters

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to 11 subsidiary companies, 2 associate companies and 6 joint venture companies, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

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

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

Nilesh Shah
Partner
Membership No. 49660

MUMBAI, May 25, 2017

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017

Particulars	Note No.	₹ in Lakhs		As at 31st Mar., 2017 ₹ in Lakhs	*As at 31st Mar., 2016 ₹ in Lakhs*	*As at 1st Apr., 2015 ₹ in Lakhs*
ASSETS						
1 Non-current assets						
a) Property, Plant and Equipment	5			**52,152.01**	*52,398.11*	*57,804.93*
b) Capital work-in-progress				**249.93**	*553.58*	*84.36*
c) Investment Property	6			**2,510.52**	*2,573.12*	*2,635.75*
d) Goodwill	7			**43,935.01**	*44,436.76*	*45,615.86*
e) Other Intangible assets	8			**4,969.42**	*2,837.05*	*2,000.04*
f) Intangible assets under development				**7,167.39**	*6,688.37*	*5,033.16*
g) Financial Assets:						
i) Investments						
a) Investments in associates	9A	-			-	-
b) Investments in joint ventures	9B	6,716.78			*6,152.99*	*6,354.73*
c) Other Investments	9C	543.24			*438.00*	*214.99*
			7,260.02		*6,590.99*	*6,569.72*
ii) Trade receivables	10A		4,093.92		*4,607.77*	*2,965.05*
iii) Loans	11A		275.77		*612.80*	*539.67*
iv) Other financial assets	12A		4,304.68		*4,034.56*	*3,721.59*
				15,934.39	*15,846.12*	*13,796.03*
h) Tax assets						
i) Deferred tax assets (net)	22A		2,498.49		*1,442.33*	*1,868.86*
ii) Current tax assets (net)	26		7,731.44		*7,293.17*	*6,638.86*
				10,229.93	*8,735.50*	*8,507.72*
i) Other non-financial assets	15A			**3,090.64**	*3,517.59*	*3,306.44*
Total Non-current assets				**1,40,239.24**	*1,37,586.20*	*1,38,784.29*
2 Current assets						
a) Inventories	13			**43,785.23**	*35,445.47*	*31,749.46*
b) Financial Assets:						
i) Investments	9D		15.80		*11.19*	*12.77*
ii) Trade receivables	10B		46,385.31		*52,568.67*	*56,081.92*
iii) Cash and cash equivalents	14A		19,036.09		*13,826.18*	*13,673.78*
iv) Bank balances other than (iii) above	14B		3,257.95		*1,286.13*	*1,395.46*
v) Loans	11B		72.65		*822.07*	*99.40*
vi) Other financial assets	12B		2,918.59		*2,020.51*	*1,247.14*
				71,686.39	*70,534.75*	*72,510.47*
c) Other non-financial assets	15B			**15,162.28**	*10,119.58*	*7,164.83*
				86,848.67	*80,654.33*	*79,675.30*
Assets classified as held for sale	16A			**204.73**	*4,511.01*	-
Total Current assets				**1,30,838.63**	*1,20,610.81*	*1,11,424.76*
Total Assets				**2,71,077.87**	*2,58,197.01*	*2,50,209.05*
EQUITY AND LIABILITIES						
Equity						
a) Equity share capital	17		1,273.22		*1,273.22*	*1,273.22*
b) Other equity	18		30,173.07		*20,624.69*	*26,720.90*
Equity attributable to owners of the Company				**31,446.29**	*21,897.91*	*27,994.12*
Non-controlling interests				**13,235.95**	*12,796.33*	*11,819.44*
Total Equity				**44,682.24**	*34,694.24*	*39,813.56*
Liabilities						
1 Non-current liabilities						
a) Financial liabilities:						
i) Borrowings	19	77,489.84			*73,403.78*	*79,231.62*
ii) Trade payables	25A	1,479.30			*1,340.95*	*1,432.99*
iiI) Other financial liabilities	20A	3,815.86			*3,615.05*	*3,696.56*
			82,785.00		*78,359.78*	*84,361.17*
b) Provisions	21A		6,084.73		*5,805.29*	*6,546.55*
c) Deferred tax liabilities (net)	22B		363.78		*311.00*	*2.28*
d) Other non-current liabilities	23A		8,676.97		*8,179.89*	*8,125.58*
Total Non-current liabilities				**97,910.48**	*92,655.96*	*99,035.58*
2 Current liabilities						
a) Financial liabilities:						
i) Borrowings	24	29,168.79			*23,301.51*	*15,836.75*
ii) Trade payables	25B	49,457.94			*50,775.09*	*44,650.10*
iii) Other financial liabilities	20B	11,183.49			*19,357.51*	*15,258.71*
			89,810.22		*93,434.11*	*75,745.56*
b) Provisions	21B		4,576.20		*3,595.15*	*2,798.75*
c) Current tax liabilities (net)	26		1,857.85		*1,220.06*	*1,588.97*
d) Other current liabilities	23B		32,240.88		*32,162.26*	*31,226.63*
				1,28,485.15	*1,30,411.58*	*1,11,359.91*
Liabilities directly associated with assets classified as held for sale	16B			**-**	*435.23*	-
Total Current Liabilities				**1,28,485.15**	*1,30,846.81*	*1,11,359.91*
Total Liabilities				**2,26,395.63**	*2,23,502.77*	*2,10,395.49*
Total Equity and Liabilities				**2,71,077.87**	*2,58,197.01*	*2,50,209.05*

See accompanying notes forming part of the financial statements **1 to 65**

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

NILESH SHAH
Partner
Mumbai, 25th May, 2017

NIRMAL JAGAWAT
Chief Financial Officer

PANKAJ KHATTAR
Company Secretary

SHAPOOR P. MISTRY — *Chairman*
MAHESH C. TAHILYANI — *Managing Director*
KAIWAN D. KALYANIWALLA
D. SIVANANDHAN
JAI L. MAVANI
ASLESHA GOWARIKER
Directors

Mumbai, 25th May, 2017

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

	Particulars	Note No.	₹ in Lakhs	Year Ended 31st Mar., 2017 ₹ in Lakhs	*Year Ended 31st Mar., 2016 ₹ in Lakhs*
I	**Revenue from operations**	**27**	3,02,345.79		*3,23,101.96*
II	**Other income**	**28**	5,334.79		*6,189.96*
III	**Total Income (I + II)**			**3,07,680.58**	*3,29,291.92*
IV	**Expenses:**				
	Real estate development costs	**29**	8,820.61		*481.15*
	Cost of materials consumed	**30A**	73,034.36		*73,028.60*
	Purchases of stock-in-trade		51,302.63		*62,502.91*
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	**30B**	(7,619.73)		*(3,070.08)*
	Employee benefits expense	**31**	67,953.49		*64,734.77*
	Finance costs	**32**	7,446.83		*10,705.67*
	Depreciation and amortisation expense	**33**	7,065.63		*7,469.38*
	Other expenses	**34**	98,383.05		*1,12,291.07*
	Total expenses (IV)			**3,06,386.87**	*3,28,143.47*
V	**Profit before exceptional items and tax (III - IV)**			**1,293.71**	*1,148.45*
VI	**Exceptional items - Income /(Expense)**	**35**		**8,220.74**	*(2,090.34)*
VII	**Profit /(Loss) before tax for the year (V + VI)**			**9,514.45**	*(941.89)*
VIII	**Tax expense:**				
	(a) Current tax	**36**	3,629.77		*3,788.10*
	(b) Deferred tax	**36**	(1,237.53)		*196.49*
				2,392.24	***3,984.59***
IX	**Profit/(Loss) after tax for the year (VII - VIII)**			**7,122.21**	*(4,926.48)*
X	**Add: Share of profit of joint ventures**			**1,864.80**	*127.66*
XI	**Profit/(Loss) for the year (IX + X)**			**8,987.01**	*(4,798.82)*
XII	**Other Comprehensive Income / (Loss)**				
	A (i) Items that will not be reclassified to profit or loss				
	(a) Remeasurement of the defined benefit plans			**(194.51)**	*(44.98)*
	Income Tax Impact			**65.26**	*24.10*
	(b) Share of other comprehensive income in associates and joint ventures, to the extent not to be reclassified to profit or loss			**(15.25)**	*104.63*
	(c) Equity instruments through other comprehensive income			**105.24**	*(30.63)*
	Income Tax Impact			**(17.04)**	*0.34*
				(56.30)	*53.46*
	B (i) Items that may be reclassified to profit or loss				
	(a) Exchange differences in translating the financial statements of foreign operations			**1,057.10**	*206.59*
				1,057.10	*206.59*
	Total Other Comprehensive Income			**1,000.80**	*260.05*
XIII	**Total Comprehensive Income/ (Loss) for the year(XI + XII)**			**9,987.81**	*(4,538.77)*
XIV	**Profit/ (Loss) for the year attributable to:**				
	- Owners of the Company			**8,500.52**	*(5,855.37)*
	- Non-controlling interests			**486.49**	*1,056.55*
				8,987.01	*(4,798.82)*
XV	**Other Comprehensive Income for the year attributable to:**				
	- Owners of the Company			**1,000.80**	*260.05*
	- Non-controlling interests			**-**	*-*
				1,000.80	*260.05*
XVI	**Total Comprehensive Income/ (Loss) for the year attributable to:**				
	- Owners of the Company			**9,501.32**	*(5,595.32)*
	- Non-controlling interests			**486.49**	*1,056.55*
				9,987.81	*(4,538.77)*
XVII	**Earning per equity share**				
	Basic and diluted earnings per equity share	**38**		**₹ 70.58**	*₹ (37.69)*

See accompanying notes forming part of the financial statements **1 to 65**

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

NILESH SHAH
Partner
Mumbai, 25th May, 2017

NIRMAL JAGAWAT
Chief Financial Officer

PANKAJ KHATTAR
Company Secretary

SHAPOOR P. MISTRY — *Chairman*
MAHESH C. TAHILYANI — *Managing Director*
KAIWAN D. KALYANIWALLA
D. SIVANANDHAN
JAI L. MAVANI
ASLESHA GOWARIKER
Directors

Mumbai, 25th May, 2017

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2017

	Year Ended 31st Mar., 2017 ₹ in Lakhs		*Year Ended 31st Mar., 2016 ₹ in Lakhs*	
Cash flows from operating activities				
Profit/(Loss) for the year		**8,987.01**		*(4,798.82)*
Adjustments for -				
Income tax expense recognised in profit or loss	3,629.77		*3,788.10*	
Deferred Tax (income)/expense recoginsed in profit and loss	(1,237.53)		*196.49*	
Depreciation and amortisation expense	7,065.63		*7,469.38*	
Post acquisition share of profit/(loss) of Joint Venture (using Equity Method)	(1,864.80)		*(127.66)*	
Interest income earned on financial assets that are not designated as at fair value through profit or loss:				
i) Interest on bank deposits	(119.20)		*(123.06)*	
ii) Interest on inter-corporate deposits	(35.59)		*(74.54)*	
iii) Interest from customers and others	(70.34)		*(2.25)*	
Finance costs recognised in profit or loss	7,126.84		*7,795.67*	
Dividend Income				
i) from long-term investments	(0.07)		*(0.06)*	
ii) from current investments	(27.62)		*(73.84)*	
Gain on disposal of property,plant and equipment	(190.63)		*(224.21)*	
Provision for doubtful trade receivables	2,352.11		*1,923.28*	
Provision for doubtful loans and advances	304.30		*2.33*	
Gain on disposal of current investments	(79.79)		-	
Provision for Contingencies	900.00		-	
Bad trade receivables / advances written off (net)	152.13		*1,451.75*	
Net gain arising on financial assets designated as at FVTPL	(4.61)		*(18.12)*	
Credit balances / excess provision written back	(699.64)		*(632.89)*	
Remeasurement of the defined benefit plans	(194.51)		*(44.98)*	
Net unrealised exchange loss	57.40		*289.85*	
		17,063.85		*21,595.24*
Exceptional items:				
- Profit on slump sale	(5,459.26)		-	
- Loss / (Profit) on cessation of Joint Ventures	397.30		*(183.78)*	
- Profit on sale of logistics business	(331.01)		-	
- Gain on cessation of Subsidiary	(3,258.07)		-	
- Impairment of Goodwill on consolidation	-		*4,145.20*	
- Income on settlement of disputed matters	-		*(652.05)*	
		(8,651.04)		*3,309.37*
		8,412.81		*24,904.61*
Operating profit before working capital changes		**17,399.82**		*20,105.79*
Changes in working capital:				
Movements in working capital:				
Decrease/(increase) in trade and other receivables	4,276.73		*(2,362.76)*	
Increase in inventories	(8,338.59)		*(3,694.87)*	
Decrease / (Increase) in other loans and advances	506.28		*(344.24)*	
Increase in other financial assets	(1,716.88)		*(444.54)*	
Increase in other assets	(4,749.43)		*(4,064.80)*	
Increase in trade and other payables	1,968.99		*6,423.77*	
Decrease in other financial liabilities	(463.34)		*(11.99)*	
Increase /(Decrease) in provisions	570.37		(193.84)	
Increase in other liabilities	589.92		851.09	
		(7,355.95)		*(3,842.18)*
Cash generated from operations		**10,043.87**		*16,263.61*
Income taxes paid (net of refunds)		**(3,192.37)**		*(4,291.97)*

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2017

	Year Ended 31st Mar., 2017 ₹ in Lakhs		*Year Ended 31st Mar., 2016 ₹ in Lakhs*	
(a) Net cash flow generated from operating activities		**6,851.50**		*11,971.64*
Cash flows from investing activities:				
Payments for property, plant and equipment	(5,858.41)		*(6,165.87)*	
Proceeds from disposal of property, plant and equipment	462.26		*1,066.43*	
Payments for other Intangible assets	(3,813.81)		*(3,409.26)*	
Proceeds from disposal of other Intangible assets	0.01		-	
Purchase / subscription of long-term investments	-		*(253.64)*	
Proceeds from slump sale	9,250.63		-	
Proceeds from sale / surrender of long-term investments - in Joint Venture	1,250.03		*50.00*	
Purchase of current investments	(27,026.27)		*(20,444.97)*	
Proceeds from sale of current investments	27,133.41		*20,538.12*	
Bank balances not considered as cash and cash equivalents	(1,971.81)		*109.32*	
Interest received	630.00		*194.26*	
Dividend received	50.34		*50.45*	
(b) Net cash flow generated from / (used in) investing activities		**106.38**		*(8,265.16)*
Cash flows from financing activities:				
Proceeds from long-term borrowings	24,893.86		*25,203.55*	
Repayment of long-term borrowings	(23,311.43)		*(29,643.34)*	
Proceeds from short-term borrowings	13,126.47		*17,778.80*	
Repayment of short-term borrowings	(12,161.81)		*(15,195.81)*	
Net increase in working capital borrowings	5,120.58		*4,921.88*	
Finance costs paid	(9,251.53)		*(6,283.25)*	
Expenses on Capital Reduction by subsidiary	(2.33)		-	
Repayment of share of non controlling interest	(62.50)		-	
Dividend paid including taxes	(10.19)		*(335.91)*	
(c) Net cash flow used in financing activities		**(1,658.88)**		*(3,554.08)*
(d) Net increase in cash and cash equivalents (a + b + c)		**5,299.00**		*152.40*
(e) Cash and cash equivalents as at the commencement of the year		**13,826.18**		*13,673.78*
(f) Cash and cash equivalents on disposal of subsidiary		**(89.09)**		-
(g) Cash and cash equivalents as at the end of the year (d + e + f)		**19,036.09**		*13,826.18*

Notes: -

1. Cash flows are reported using the indirect method, whereby Profit / (Loss) is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated according to their nature.

See accompanying notes forming part of the financial statements **1 to 65**

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

NILESH SHAH
Partner
Mumbai, 25th May, 2017

NIRMAL JAGAWAT
Chief Financial Officer

PANKAJ KHATTAR
Company Secretary

SHAPOOR P. MISTRY — *Chairman*
MAHESH C. TAHILYANI — *Managing Director*

KAIWAN D. KALYANIWALLA
D. SIVANANDHAN
JAI L. MAVANI
ASLESHA GOWARIKER
Directors

Mumbai, 25th May, 2017

Statement of changes in equity for the year ended 31st March, 2017

₹ in Lakhs

a. Equity share capital	Amount
Balance at 1st Apr., 2015	**1,273.22**
Changes in equity share capital during the year	-
Balance at 31st Mar., 2016	**1,273.22**
Changes in equity share capital during the year	-
Balance at 31st Mar., 2017	**1,273.22**

₹ in Lakhs

b. Other equity	Equity component of compound financial instruments	Reserves and surplus								Items of other comprehensive income						
		Capital reserve	Capital Contribution Reserve	Securities premium reserve	Tonnage Tax Reserve	Debenture redemption reserve	General reserve	Retained earnings	Sub-total	Equity instrument through other comprehensive income	Foreign currency translation reserve	Capital reserve for bargain purchase business combinations	Sub-total	Attributable to owners of the parent	Non-controlling interests	Total
Balance at 1st April, 2015	**894.42**	**188.24**	**493.54**	**161.76**	**112.88**	**2,500.00**	**42,657.55**	**(21,422.66)**	**24,691.31**	**(71.10)**	**-**	**1,206.27**	**1,135.17**	**26,720.90**	**11,819.44**	**38,540.34**
Profit / (Loss) for the year								(5,855.37)	(5,855.37)				-	(5,855.37)	1,056.55	(4,798.82)
Other comprehensive income for the year, net of income tax								83.75	83.75	(30.29)	206.59		176.30	260.05		260.05
Total comprehensive income for the year	-	-	-	-	-	-	-	(5,771.62)	(5,771.62)	(30.29)	206.59	-	176.30	(5,595.32)	1,056.55	(4,538.77)
Disposal/Reduction of partial interest in subsidiary								(164.98)	(164.98)		-		-	(164.98)	(79.66)	(244.64)
Transfer from/(to) to retained earnings/general reserve					75.50		(64.02)	(11.48)	-				-	-		-
- Tax in Intra group dividend								(335.91)	(335.91)					(335.91)		(335.91)
Balance at 31st March, 2016	**894.42**	**188.24**	**493.54**	**161.76**	**188.38**	**2,500.00**	**42,593.53**	**(27,706.65)**	**18,418.80**	**(101.39)**	**206.59**	**1,206.27**	**1,311.47**	**20,624.69**	**12,796.33**	**33,421.02**
Profit for the year								8,500.52	8,500.52				-	8,500.52	486.49	8,987.01
Other comprehensive income for the year, net of income tax								(144.50)	(144.50)	88.20	1,057.10		1,145.30	1,000.80		1,000.80
Total comprehensive income for the year	**-**	**-**		**-**	**-**		**-**	**8,356.02**	**8,356.02**	**88.20**	**1,057.10**	**-**	**1,145.30**	**9,501.32**	**486.49**	**9,987.81**
Disposal/Reduction of partial interest in subsidiary									-		59.53		59.53	59.53	(39.87)	19.66
Transfer to retained earnings					32.75			(32.75)	-		-		-	-	-	-
Expenses related to Capital Reduction by a subsidiary								(2.28)	(2.28)		-		-	(2.28)	(7.00)	(9.28)
Tax on Intra group dividends								(10.19)	(10.19)		-		-	(10.19)	-	(10.18)
Balance at 31st March, 2017	**894.42**	**188.24**	**493.54**	**161.76**	**221.13**	**2,500.00**	**42,593.53**	**(19395.85)**	**26,762.35**	**(13.19)**	**1,323.22**	**1,206.27**	**2,516.30**	**30,173.07**	**13,235.95**	**43,409.02**

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

NILESH SHAH
Partner
Mumbai, 25th May, 2017

NIRMAL JAGAWAT
Chief Financial Officer

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SHAPOOR P. MISTRY — *Chairman*
MAHESH C. TAHILYANI — *Managing Director*

KAIWAN D. KALYANIWALLA
D. SIVANANDHAN
JAI L. MAVANI
ASLESHA GOWARIKER
Directors

Mumbai, 25th May, 2017

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

1. CORPORATE INFORMATION

Forbes & Company Limited ("the Company") is one of the oldest companies of the world that is still in existence. The Company traces its origin to the year 1767 when John Forbes of Aberdeenshire, Scotland started his business in India. Over the years, the Management of the Company moved from the Forbes Family to the Campbells to the Tata Company and now finally to the well known Shapoorji Pallonji Group. Its parent and ultimate holding Company is Shapoorji Pallonji and Company Private Limited. The address and registered office and principal place of business are disclosed in the Annual Report. The principal activities of the Company and its subsidiaries ("the Group") are described in note no 46.

2. SIGNIFICANT ACCOUNTING POLICIES:

2.1 Statement of Compliance

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

Upto the year ended 31st March, 2016, the Group prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Group's first Ind AS consolidated financial statements. The date of transition to Ind AS is 1st April, 2015. Refer Note 2.28 for the details of first-time adoption exemptions availed by the Group.

2.2 Basis of preparation and presentation of consolidated financial statement

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

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

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

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

These financial statements are presented in Indian Rupees (₹) which is the Group 's functional currency. All amounts are rounded off to the nearest lakhs (two decimals), unless otherwise stated.

2.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group’s voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra Group assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

<u>Changes in the Group's ownership interests in existing subsidiaries :</u>

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are

adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

2.4 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange of control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Taxes and Ind AS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payment at the acquisition date ; and
- assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

In case of a bargain purchase, before recognising a gain in respect thereof, the Group determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognises any additional assets or liabilities that are identified in that reassessment. The Group then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Group recognises it in other comprehensive income and accumulates the same in equity as capital reserve. This gain is attributed to the acquirer. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Group recognises the gain, after reassessing and reviewing (as described above), directly in equity as capital reserve.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another Ind AS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill or capital reserve, as the case maybe. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at fair value at subsequent reporting dates with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if

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known, would have affected the amounts recognised at that date.

2.5 The financial statements of the Company, its subsidiaries, Joint ventures and associates used in the consolidation are drawn upto the same reporting date i.e. 31st March, 2017, other than Euro Forbes Ltd., Forbes Lux International AG, Lux International AG, Forbes Lux Group AG Baar, Lux/SK/s.r.o, Lux Italia srl, Lux Schweiz AG, Lux (Deutschland) GmbH, Lux Service GmbH, Lux Norge A/S, Lux Osterreich GmbH, Lux CZ s.r.o, Lux Hungária Kereskedelmi Kft., Forbes Lux FZCO, AMC Cookware PTY Limited, Lux Del Paraguay S.A., Lux Aqua Hungária Kft, LIAG Trading & Investment Ltd.,c. Lux Aqua Paraguay SA, Lux Waterline GmbH, Lux Professional GmbH, Lux Professional International GmbH, Lux Aqua Czech s.r.o, Brightyclean (Spain) S.L, Lux Osterreich Professional GmbH whose reporting dates are 31st December, 2016. Necessary material adjustments have been made, for the effects of significant transactions and other events between the reporting dates of such financial statements and these consolidated financial statements.

Subsidiaries:

The list of subsidiary companies which are included in the consolidation and the Group's holdings therein are as under:

Sr No.	Name of the Company	See Footnote No.	Incorporated In	Percentage of Holding & Voting power either directly or indirectly through subsidiary (%)	
				As at 31st Mar., 2017	*As at 31st Mar., 2016*
1	Eureka Forbes Limited and its subsidiaries:		India	**100.00**	*100.00*
	(a) Aquamall Water Solutions Limited and its subsidiary:		India	**100.00**	*100.00*
	- Aquadiagnostics Water Research & Technology Center Limited		India	**100.00**	*100.00*
	- Forbes Lux International AG Baar and its subsidiaries :		Switzerland	**100.00**	*100.00*
	i) Lux International AG and its subsidiary :		Switzerland	**100.00**	*100.00*
	- Lux del Paraguay S.A.	4	Paraguay	**50.00**	*50.00*
	ii) Forbes International AG (formerly Forbes Lux Group AG) and its subsidiary :		Switzerland	**100.00**	*100.00*
	- Lux /SK/s.r.o.	8	Slovakia	**100.00**	*100.00*
	iii) Lux Italia srl		Italy	**100.00**	*100.00*
	iv) Lux Schweiz AG		Switzerland	**100.00**	*100.00*
	v) Lux (Deutschland) GmbH and its subsidiaries		Germany	**100.00**	*100.00*
	- Lux Service GmbH		Germany	**100.00**	*100.00*
	- Lux Norge A/S		Norway	**100.00**	*100.00*
	- Lux Osterreich GmbH		Austria	**100.00**	*100.00*
	- Lux CZ s.r.o	8	Czech Republic	**100.00**	*100.00*
	- Lux Hungária Kereskedelmi Kft.		Hungary	**100.00**	*100.00*
	- Lux Aqua Hungária Kft		Hungary	**100.00**	*100.00*
	- LIAG Trading & Investment Ltd.		UAE	**100.00**	*100.00*
	- Lux Professional International GmbH (formerly Lux Aqua Gmbh)		Switzerland	**100.00**	*100.00*
	- Lux Waterlime GmbH (w.e.f 29th April, 2016)		Germany	**100.00**	-
	- Lux Aqua Czeh s.r.o (w.e.f 6th May, 2016)		Czech Republic	**100.00**	-
	- Brightyclean (Spain) SL (w.e.f 10th August, 2016)		Spain	**100.00**	-
	- Lux Professional GmbH (w.e.f 22nd December, 2016)		Germany	**100.00**	-
	- Lux Osterreich Professional GmbH (w.e.f 15th December, 2016)		Austria	**100.00**	-
	- Lux Aqua Paraguay S.A (w.e.f 1st December, 2016)		Paraguay	**100.00**	-
	(b) Forbes Facility Services Private Limited		India	**100.00**	*100.00*
	(c) Forbes Enviro Solutions Limited	5	India	**100.00**	*100.00*
	(f) EFL Mauritius Limited and its subsidiary:		Mauritius	**100.00**	*100.00*
	(g) Euro Forbes Financial services Limited		India	**100.00**	*100.00*
	(h) Euro Forbes Limited and its subsidiary:		UAE	**100.00**	*100.00*
	- Forbes Lux FZCO		UAE	**99.42**	*99.42*
2	Forbes Campbell Finance Limited and its subsidiaries:		India	**100.00**	*100.00*
	(a) Forbes Campbell Services Limited		India	**98.00**	*98.00*
	(b) Forbes Edumetry Limited	2	India	**57.50**	*57.50*
3	Forbes Technosys Limited	1 & 6	India	**100.00**	*100.00*
4	Volkart Fleming Shipping and Services Limited		India	**100.00**	*100.00*
5	Forbes Container Line Pte. Limited (Upto 19th August 2016) and its subsidiary:	7	Singapore	**-**	*100.00*
	- Forbesline Shipping Services LLC (Upto 19th August 2016)		UAE	**-**	*49.00*
6	Shapoorji Pallonji Forbes Shipping Limited	3	India	**25.00**	*25.00*
7	Campbell Properties & Hospitality Services Limited		India	**100.00**	*100.00*

Footnotes:

1 The financial statements of the Company and subsidiary at sr. no. 3 are audited by Deloitte Haskins & Sells LLP and Deloitte Haskins & Sells respectively. The financial statements of all other subsidiaries are audited by other auditors.

2 Forbes Edumetry Limited, a subsidiary, has initiated voluntary winding up under section 500 and other applicable sections of the Companies Act, 1956.

3 Shapoorji Pallonji Forbes Shipping Limited, India have been considered as subsidiaries based on control over the composition of the Board of Directors.

4 Full consolidation in case of Lux del Paraguay S.A is due to operational control.

5 Radiant Energy Systems Private Limited and Waterwings Equipment Private Limited have merged into Forbes Enviro Solutions Private Limited w.e.f. 11th March, 2014. The scheme was approved on 21st August 2015.

6 Technext E-Payment & Services Limited a subsidiary of Forbes Technosys Limited, was incorporated on 14th July, 2015 and disposed off on 28th March, 2016.

7 Forbes Container Line Pte. Ltd. Singapore ("FCLPL") a foreign subsidiary of the Group has been ordered to be wound up by the High Court of Republic of Singapore vide their order dated 19th August,2016.

8 The Board of directors of a subsidiary, Lux International AG, has taken the decision to transfer the business activities in Czech Republic and Slovakia to a distributorship model in 2016. The subsidiaries will be liquidated in 2017/2018.

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9 The effect of acquisition and disposal/cessation of Subsidiaries

Particulars	2016-17		2015-16	
	Acquisition	Disposal	Acquisition	Disposal
	₹ in Lakhs		₹ in Lakhs	
Liabilities as at (date of acquisition / disposal)				
Non-current liabilities	-	992.66	-	-
Current liabilities	-	3,370.70	-	-
Assets as at (date of acquisition / disposal)		-		
Non-current assets	-	51.12	-	-
Current assets	-	1,102.51	-	-
		-		
Revenue for the period ended	-	-	-	-
Expenses for the period ended	-	-	-	-
Profit / (Loss) before tax for the period ended	-	-	-	-

The above relates to Forbes Container Line Pte. Ltd. Singapore ("FCLPL"), a foreign subsidiary of the Group, has been ordered to be wound up by the High Court of Republic of Singapore vide their order dated 19th August,2016.

Foreign Subsidiaries

The consolidated financial statements includes twenty five subsidiaries (previous year: twenty subsidiaries) incorporated outside India whose financial statements have been drawn up in accordance with the generally accepted accounting practices (GAAP) as applicable in those countries. These financial statements have been re-stated in Indian Rupees (presentation currency) and the resultant exchange gain /loss on conversion has been accounted in total comprehensive income and foreign currency translation reserve. In the opinion of the Management, based on the analysis of the significant transactions at subsidiaries, no material adjustments are required to be made to comply with Group accounting policies.

2.6 Investments in associates and joint ventures

An associate is an entity over which the Group 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.
A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. Distributions received from an associate or a joint venture reduce the carrying amount of the investment. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group 's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

After application of the equity method of accounting, the Group determines whether there any is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in an associate or a joint venture and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Group's investment in an associate or a joint venture.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of

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disposal) with its carrying amount, Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with Ind AS 109. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests. When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities. When a Group entity transacts with an associate or a joint venture of the Group , profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group .

The financial statements of the following companies which are in the nature of Joint ventures have been considered in the consolidated financial statements.

Sr No.	Name of the Company	See Footnote No.	Incorporated In	Percentage of Holding & Voting power either directly or indirectly through subsidiary (%)	
				As at 31st Mar., 2017	*As at 31st Mar., 2016*
1	Forbes Aquatech Limited	1	India	**50.00**	*50.00*
2	Forbes Concept Hospitality Services Private Limited	1	India	**50.00**	*50.00*
3	Infinite Water Solutions Private Limited	1	India	**50.00**	*50.00*
4	Forbes G4S Solutions Private Limited	1	India	**50.00**	*50.00*
5	Aqualgnis Technologies Private Limited	3	India	**50.00**	*50.00*
6	Edumetry Inc. (upto 28th October, 2015).	4	USA	**-**	*50.00*
7	AMC Cookware Limited	2	South Africa	**50.00**	*50.00*
8	Shapoorji Pallonji Bumi Armada Offshore Limited (formely Forbes Bumi Armada Offshore Limited) (upto 12th October 2016)	4	India	**-**	*50.001*
9	Forbes Bumi Armada Limited.	5	India	**51.00**	*51.00*

Footnotes:

1 Joint ventures of Eureka Forbes Limited.
2 Joint ventures of Lux International AG.
3 Joint ventures of Aquamall Water Solutions Limited.
4 Jointly venture of Forbes & Company Ltd.
5 Joint ventures of Forbes Campbell Finance Limited

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The financial statements of the following associates are considered in the consolidated financial statements.

Sr No.	Name of the Entity	See Footnote No.	Incorporated In	Percentage of Holding & Voting power either directly or indirectly through subsidiary (%)	
				As at 31st Mar., 2017	*As at 31st Mar., 2016*
	Euro P2P Direct (Thailand) Co. Limited		Thailand	**49.00**	*49.00*
	Nuevo Consultancy Services Limited		India	**49.00**	*49.00*
	Dhan Gaming Solution (India) Private Limited		India	**49.00**	*49.00*

2.7 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 Group & 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 estimated by management, the life of the assets has been assessed based on technical certification, taking into account the nature of the assets, the estimated usage of the assets, the operating conditions of the assets, past history of replacement, anticipated technological changes, etc.

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

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

Sr. No.	Class of assets	Estimated useful life
a	Building	Useful life in the range of 30 - 60 years
b	Plant & Equipment	Useful life based on technical certification ranging from 2-20 years
c	Furniture & Fixtures	3-10 years
d	Vehicles	3-5 years
e	Office equipment, Electrical installations, Computers:-	
	- Owned	Office equipments 3-5 years, Electrical installations 10 years and Computers 3-6 years.
	- Leased	Lower of lease term and useful life as stated above
f	Buildings on leasehold land	Lower of the useful life in the range of 30 - 60 years and the lease term except in certain building useful life is based on technical certification
g	All Categories of assets costing ₹ 5,000 and less	Fully depreciated in the year of purchase
h	Shipping vehicles	20 years

2.8 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.

2.9 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.

2.10 Intangible Assets

Intangible assets, are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. The cost comprises acquisition and implementation cost.

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

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recognised as income or expense in the Statement of Profit and Loss.

Research costs are charged to the statement of profit and loss as they are incurred.

Usefule life of Intangible Assets

Sr. No.	Class of assets	Estimated useful life
a	Software/Licences required	3 - 5 years
b	Bill Payment and Cheque Deposits Software, others	3 - 5 years
c	Forbes Xpress	5 - 6 years
d	Cash based Ticketing Solutions and other peripherals relating to banking	5 years
e	Brand Names / Trademarks	3 - 5 years
f	Development expenditure	On straight line basis over the best estimate of their useful lives but not exceeding 10 year
g	Technical know-how	5 years

2.11 Intangible assets under development

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

2.12 Impairment of Assets

The Group assesses at end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. 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.

2.13 Financial instruments

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

Investments in equity instruments at FVTOCI

On initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. 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'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments. A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

The Group has equity investments in six entities which are not held for trading. The Group has elected the FVTOCI irrevocable option for these investments . Fair value is determined in the manner

described in note 44.8.

Dividends on these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in profit or loss are 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 Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Impairment of financial assets

The Group applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, loan commitments, trade receivables, financial guarantees not designated as 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 Group always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss ("ECL") allowance , the Group 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 Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent 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 Group 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 the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

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

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.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange 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.

Derivative financial instruments

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

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

Offsetting financial instruments

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

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the 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.

2.14 Borrowing Costs

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

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

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.15 Foreign Currency Transactions And Translation

In preparing the financial statements of each entity, transactions in currencies other than the that entity's functional currency (foreign currencies) 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 translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Indian Rupees using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Group are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

2.16 Inventories:

Inventories are valued at the lower of the acquisition / production cost and net realisable value. Costs of inventories are determined on weighted average basis.

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

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Eureka Forbes Limited group has changed the valuation method from First In First Out (FIFO) to weighted average method during the year. Due to this closing stock and profit is higher by ₹ 113.48/- lakhs, except in the case of one of the foreign subsidiary namely Forbes Lux FZCO, in which cost of inventories are determined using the first in first out method. Carrying value of such inventory is ₹ 81.68/- lakhs *(as at 31st March, 2016 ₹ 183.92/- lakhs)*.

2.17 Earnings Per Share

Basic Earnings per share are calculated by dividing the consolidated net profit/(loss) after tax for the year attributable to equity shareholders of the Group by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Group's earnings per share is the net profit for the period after deducting the preference dividends and any attributable

tax thereto for 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 the equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

2.18 Revenue Recognition

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

A. Revenue from real estate contracts:

In respect of property development projects undertaken by the Group, the Group follows percentage of completion method as per the Guidance Note on Accounting for Real Estate Transactions for recognising revenue from projects, based on estimation of the outcome of the project when the following are completed:

a. All critical approvals for commencement have been obtained;
b. At least 25% of construction and development costs for the project have been incurred;
c. At least 25% of the saleable project area is secured by contracts or agreements with buyers and ;
d. At least 10% of the total revenue as per the aforementioned sale agreements have been realised in respect of each such contract and it is expected that the parties will comply with the payment terms of the contracts.

Determination of revenues under the percentage completion method necessarily involves making estimates by the Group some of which are of technical nature, concerning, where relevant, the percentage of completion, costs to completion and the expected revenue from the project and the foreseeable losses to completion.

Revenue is measured at fair value and recognized with respect to executed agreements for sale of residential units upon achieving threshold percentage of actual project cost incurred (excluding development rights) as against the total estimated cost of the project (excluding development rights).

When it is probable that total costs will exceed total revenue, the expected loss is recognised as an expense in the consolidated statement of profit and loss in the period in which such probability occurs.

B. Sale of goods:

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

a) the Group has transferred to the buyer the significant risks and rewards of ownership of the goods: which is mainly upon dispatch of goods
b) the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
c) the amount of revenue can be measured reliably;
d) it is probable that the economic benefits associated with the transaction will flow to the Group; and
e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Sales are recognised, net of estimated returns, rebates, trade discounts, VAT / Sales tax, and include excise duty. Export sales are recognised on the basis of Bill of lading / Airway bill.

C. Sale of services

a) Multimodal transport income and expenses in case of export handling activities is recognised at the date of bill of lading / airway bill and in case of import handling activities, when the relevant documents (i.e. delivery orders) are delivered to the customers.
b) Container freight station ground rent income is recognised on an accrual basis.
c) Charter hire earnings are recognized as the service is performed and accrued on time basis.
d) Service revenue is recognised on rendering of services or as per contractual arrangement. The revenue from maintenance contracts is recognised on accrual basis and advance received in respect of future period is accounted for as income received in Advance.
Unbilled revenue with respect to Maintenance Contract is recognised to the extent not billed at the year end. The Group collects service tax on behalf of governement and therefore it is not an economic benefit flowing to the Group; hence it is excluded from unbilled revenue.
e) Income from other services is recognised as and when the services are performed.
f) Revenue on sale of recharge recognised when the pins are downloaded by the customer.

D. Interest and Dividend Income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the amortised cost and at the effective interest rate applicable. Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

2.19 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 undiscounted amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

b) Other long-term employee 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

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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 group does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

c) Post-employment obligations

The Group operates the following post-employment schemes:

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

Defined Contribution Plans

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

In case of Provident fund, contributions are made to a Trust administered by the Group. In case of Superannuation, contributions are made to the Life Insurance Corporation of India (LIC).

Defined Benefit Plan

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity, post-retirement medical benefits and non-compete fees plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated by actuaries using the projected unit credit method.

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

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

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Pension policy

Lux Group companies operate various pension schemes. The schemes are generally funded by payments to insurance companies or trustee-administered funds. There are two different categories of such pension schemes and are stated according to SWISS Gaap FER 16.

- Swiss pension plans
- Other pension plans

Swiss pension plans

Employees and former employees receive different employee benefits and retirement pensions, which are determined in accordance with the legislative provision in Switzerland. All risks are reinsured and a underfunding is not possible.

Other pension plans

There are other Group companies that have internal or external pension plans. However these plans are not material for the Group and therefore no further information is disclosed.

Since the above pension plans are operated as per the laws of respective countries, no adjustment has been carried out for differences.

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

2.20 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 tax laws in respective jurisdictions.

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

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.

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 element of deferred asset if there is convincing evidence that the Group will pay normal income tax. Accordingly, MAT is recognized in the Consolidated Balance Sheet when it is probable that future economic benefit associated with it will flow to the Group.

Pursuant to the introduction of Section 115 VA under the Income Tax Act 1961, Shapoorji Pallonji Forbes Shipping Limited (subsidiary) has opted for computation of 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 Group and no deferred tax is applicable to such income as there are no timing differences. The timing difference in respect of the non-tonnage activities of the subsidiary are not material, in view of which deferred taxation is not considered as necessary.

2.21 Lease Accounting:

(i) 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 consolidated profit and loss on a straight-line basis over the lease term.

(ii) Finance Leases

Leases, where the lessor transfers, substantially all the risks and rewards incidental to ownership of the leased assets, are classified as finance lease. Assets taken on finance lease are capitalised at fair value or net present value of the minimum lease payments, whichever is lower. Lease payments made are apportioned between the finance charges and reduction of the outstanding liability in respect of assets taken on lease so as achieve a constant rate of interest on the remaining balance of the liability.

2.22 Segment Reporting:

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

2.23 Provisions, Contingent Liabilities And Contingent Assets:

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

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

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

Onerous Contracts

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

Warranties

Provisions for the expected cost of warranty obligations are recognised at the date of sale of the relevant products, at the director's best estimate of the expenditure required to settle the Group's obligation.

Contingent liability is disclosed for (i) Possible obligations which will be confirmed only by future events not wholly within the control of the Group or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

2.24 Goodwill On Consolidation:

Goodwill comprises the portion of a purchase price for an acquisition that exceeds the Group's share of the identifiable assets, with deductions for liabilities, calculated on the date of acquisition.

Goodwill arising from the acquisition of associate companies and joint ventures is included in the value of the Group's holdings in the associate and joint ventures.

Goodwill is deemed to have an indefinite useful life and is reported at acquisition value with deduction for accumulated impairments. Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value-in-use and fair value less cost to sell. The goodwill impairment test is performed at the level of the cashgenerating unit or groups of cash-generating units which are benefitting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes.

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated

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long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.

Any impairment loss for goodwill is recognised directly in the Consolidated statement of profit and loss, and is not reversed in subsequent periods. On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

2.25 Government Grant:

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received. These are recognised in the consolidated statement of profit and loss on a systematic basis over the period in line with the related costs.

2.26 Cash And Cash Equivalents

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 on the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.27 Non-Current Assets Held For Sale

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

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

2.28 First-time adoption – mandatory exceptions, optional exemptions

Overall principle

The Group has prepared the opening balance sheet as per Ind AS as of 1st April, 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to certain exceptions and certain optional exemptions availed by the Group as detailed below.

Derecognition of financial assets and financial liabilities

The Group has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after 1st April, 2015 (the transition date).

Classification of debt instruments

The Group has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the FVTPL criteria based on the facts and circumstances that existed as of the transition date.

Assessment of embedded derivatives

The Group has assessed whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative on the basis of the conditions that existed at the later of the date it first became a party to the contract and the date when there has been a change in the terms of the contract that significantly modifies the cash flows that otherwise would be required under the contract.

Past business combinations

The Group has elected not to apply Ind AS 103 Business Combinations retrospectively to past business combinations that occurred before the transition date of 1st April, 2015.

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

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

Determining whether an arrangement contains a lease

The Group has applied Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.

Impairment of financial assets

The Group 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 Group 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.

Investment in Subsidiaries, Associates and Joint Ventures

The Group has not elected the exemption of previous GAAP carrying value of all its investments in associates and joint ventures recognised as of 1st April, 2015 (transition date) as deemed cost.

Accounting for Joint ventures

Joint ventures was accounted by using the proportionate consolidation method under previous GAAP whereas it needs to be accounted using the equity method under Ind AS. Therefore, as required by Ind AS 101, the Group has:-

• On the transition date, recognised investment in Joint ventures by measuring it at the aggregate of the carrying amount of the assets and

liabilities that the Group had proportionately consolidated under previous GAAP as of the transition date;

- This investment amount has been deemed to be the cost of investment at initial recognition;
- The Group has tested the investment in Joint ventures for impairment as of the transition date;
- After initial recognition at the transition date, the Group has accounted for Joint ventures using the equity method in accordance with Ind AS 28; and
- The break-down of the assets and liabilities of Joint ventures that have been aggregated into the single line investment balance at the transition date is below.

Particulars	As at 1st Apr., 2015 ₹ in Lakhs
ASSETS	
1 Non-current assets	
a) Property, Plant and Equipment	1,070.12
b) Capital work-in-progress	4.55
c) Investment Property	7.53
d) Other Intangible assets	298.62
	1,380.82
e) Financial Assets:	
i) Other financial assets	23.93
	23.93
f) Tax assets	
i) Deferred tax assets (net)	540.26
ii) Current tax assets (net)	6.42
	546.68
g) Other non-financial assets	455.57
Total Non-current assets	**2,407.00**
2 Current assets	
a) Inventories	2,055.20
b) Financial Assets:	
i) Investments	1,169.02
ii) Trade receivables	3,451.74
iii) Cash and cash equivalents	1,833.71
iv) Bank balances other than (ii) above	105.57
v) Loans	0.37
vi) Other financial assets	2,195.72
c) Other non-financial assets	500.00
Total Current assets	**11,311.33**
Total Assets	**13,718.33**
LIABILITIES	
Liabilities	
1 Non-current liabilities	
a) Provisions	5.32
b) Deferred tax liabilities (net)	247.64
c) Other non-current financial liabilities	12.08
Total Non-current liabilities	**265.04**
2 Current liabilities	
a) Financial liabilities:	
i) Borrowings	505.45
ii) Trade payables	4,424.10
iii) Other financial liabilities	1,124.38
b) Provisions	150.96
c) Current tax liabilities (Net)	17.21
d) Other non- financial current liabilities	876.46
Total Current Liabilities	**7,098.56**
Total Liabilities	**7,363.60**
Net Assets	**6,354.73**

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY :

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

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

3.1 Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see note 3.2 below), that the directors have made in the process of applying the accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

3.1.1. Svadeshi Mills Limited is not an associate of the Group although the Group owns a 23% ownership interest(including indirect) in Svadeshi, as the assets of The Svadeshi Mills Group Limited (Svadeshi) continue to be in the hands of the Official Liquidator, High Court, Bombay. The Review Petition had been filed against the Order dated February 23, 2016 whereby the Special Leave Petition (SLP) was dismissed. The said Review Petition filed before the Hon'ble Supreme Court was dismissed vide Order dated 26th August, 2016. The records of Svadeshi are in the custody of the Official Liquidator. Hence, the Group does not have significant influence over Svadeshi.

3.1.2. Shapoorji Pallonji Forbes Shipping Limited is considered as a subsidiary although Group holds 25% ownership interest by virtue of the Group's ability to appoint majority of directors on the Board of the said subsidiary.

3.2 Key sources of estimation uncertainty

3.2.1 Real Estate Development:

In case of Real estate development, the Group's revenue recognition and margin recognition policy, which are set out in Note 2.18(A) , are critical to how the Group values the work it has carried out in each financial year and corresponding recognition of revenue and expenses. These policies require forecasts to be made of the outcomes of long-term real estate development services , which require assessments and judgements to be made mainly on sale considerations, changes in the plan/outlay of work and changes in costs.

3.2.2 Contingent Liabilities and Provisions

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 CONTD.....

3.2.3 Useful life and residual value of Property, Plant and Equipment

As described in Note 2.7, the Group reviews the estimated useful life and residual values of property, plant and equipment at each reporting date.

3.2.4 Fair value measurement and valuation process

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. The management of the Group determines the appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where such inputs are not available, the Group engages third party qualified valuers to perform the valuation.

3.2.5 Impairment

Determining whether goodwill is impaired requires as estimation of value in use of cash-generating units to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. The carrying amount of goodwill at 31st March, 2017 was ₹ 43,935.01 Lakhs *(as at 31st March, 2016 ₹ 44,436.76 Lakhs; as at 1st April, 2015 ₹ 45,615.86 Lakhs)* after an impairment loss of ₹ 4,145.19 Lakhs was recognised during 2015-16. Details of impairment loss calculation are set out in Note 7 and Note 58. Details of impairment loss calculation in relation to shipping vessels is set out in Note 5.

4. STANDARDS ISSUED BUT NOT EFFECTIVE

In March, 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, statement of cashflows and Ind AS 102, share based payment. The amendments are applicable to the Company from 1st April, 2017.

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Group is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

Amendment to Ind AS 102:

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash settled awards and awards that include a net settlement feature in respect of withholding taxes. It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement.

The requirements of the amendment have no impact on the financial statements as the standard is not applicable to the Group.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 CONTD.....

5. Property, Plant and Equipment

₹ in Lakhs

	Land (Freehold)	Land (Leasehold)	Buildings	Plant & Equipment (Owned)	Plant & Equipment (Given On Operating Lease)	Furniture & Fixtures	Vehicles	Office Equipment	Computers (Owned)	Computers (On Lease)	Ships	Total
Cost or Deemed cost												
Balance as at 1st Apr., 2015	**479.40**	**51.55**	**11,140.12**	**6,883.87**	**790.92**	**698.97**	**2,273.21**	**358.53**	**1,190.60**	**98.18**	**33,839.58**	**57,804.93**
Additions	-	-	171.12	1,297.05	685.94	806.54	1,037.45	312.68	353.08	181.44	803.34	5,648.64
Effect of foreign currency exchange difference	-	-	6.44	6.26	-	1.36	-	0.09	0.93	-	-	15.08
Disposal	-	-	2.88	688.21	34.58	332.31	1,063.15	6.24	42.79	-	-	2,170.16
Reclassified as held for sale	125.57	-	2,471.22	1,222.67	-	58.40	-	107.40	23.29	-	-	4,008.55
Balance as at 31st Mar., 2016	**353.83**	**51.55**	**8,843.58**	**6,276.30**	**1,442.28**	**1,116.16**	**2,247.51**	**557.66**	**1,478.53**	**279.62**	**34,642.92**	**57,289.94**
Additions	-	-	770.81	2,484.20	417.35	662.28	952.36	416.52	381.02	76.26	-	6,160.80
Effect of foreign currency exchange difference	-	-	22.74	119.08	-	(187.59)	-	-	-	-	-	(45.77)
Disposal	-	-	78.61	98.20	67.94	335.44	543.22	56.22	52.64	-	-	1,232.27
Reclassified as held for sale	-	7.53	89.97	98.92	-	31.75	-	9.96	37.66	-	-	275.79
Balance as at 31st Mar., 2017	**353.83**	**44.02**	**9,468.55**	**8,682.46**	**1,791.69**	**1,223.66**	**2,656.65**	**908.00**	**1,769.25**	**355.88**	**34,642.92**	**61,896.91**
Accumulated depreciation and impairment												
Depreciation expense	-	0.63	412.07	1,120.05	735.94	368.40	912.05	186.34	492.86	34.29	2,130.82	6,393.45
Eliminated on disposals of assets	-	-	2.16	301.56	17.10	111.17	853.27	2.21	40.48	-	-	1,327.95
Effect of foreign currency exchange difference	-	-	0.87	0.36	-	3.79	-	-	-	-	-	5.02
Eliminated on reclassification as held for sale	-	-	-	142.69	-	16.34	-	2.34	17.32	-	-	178.69
Balance as at 31st Mar., 2016	**-**	**0.63**	**410.78**	**676.16**	**718.84**	**244.68**	**58.78**	**181.79**	**435.06**	**34.29**	**2,130.82**	**4,891.83**
Depreciation expense	-	0.63	321.28	874.51	511.13	339.60	808.53	224.57	390.79	70.14	2,198.55	5,739.73
Eliminated on disposals of assets	-	-	20.13	79.70	59.71	277.00	424.01	50.15	49.96	-	-	960.66
Effect of foreign currency exchange difference	-	-	9.98	65.60	-	52.76	-	-	-	-	16.71	145.05
Eliminated on reclassification as held for sale	-	-	-	-	-	24.12	-	9.53	37.40	-	-	71.05
Balance as at 31st Mar., 2017	**-**	**1.26**	**721.91**	**1,536.57**	**1,170.26**	**335.92**	**443.30**	**346.68**	**738.49**	**104.43**	**4,346.08**	**9,744.90**
Carrying Amount												
Balance as at 1st Apr., 2015	**479.40**	**51.55**	**11,140.12**	**6,883.87**	**790.92**	**698.97**	**2,273.21**	**358.53**	**1,190.60**	**98.18**	**33,839.58**	**57,804.93**
Balance as at 31st Mar., 2016	**353.83**	**50.92**	**8,432.80**	**5,600.14**	**723.44**	**871.48**	**2,188.73**	**375.87**	**1,043.47**	**245.33**	**32,512.10**	**52,398.11**
Balance as at 31st Mar., 2017	**353.83**	**42.76**	**8,746.64**	**7,145.89**	**621.43**	**887.74**	**2,213.35**	**561.32**	**1,030.76**	**251.45**	**30,296.84**	**52,152.01**

Footnotes:

1 Buildings (Cost) include: (i) Residential flats and office premises ₹ 69.54 Lakhs *(as at 31st March, 2016: ₹ 69.54 Lakhs; as at 1st April, 2015: ₹ 69.54 Lakhs)* in respect of which Co-operative societies are yet to be formed; (ii) Shares in Co-operative Housing Societies, Association of apartment owners and in a Group ₹ 0.17 Lakh *(as at 31st March, 2016: ₹ 0.17 Lakh; as at 1st April, 2015: ₹ 0.17 Lakh)*; (iii) Premises on freehold land where the Group is yet to be registered as the owner of a proportionate share in the land ₹ 28.66 Lakhs *(as at 31st March, 2016: ₹ 28.66 Lakhs; as at 1st April, 2015: ₹ 28.66 Lakhs)*; and (iv) Jointly owned Residential Premises ₹28.39 Lakhs *(as at 31st March, 2016: ₹ 28.39 Lakhs; as at 1st April, 2015: ₹ 28.39 Lakhs)*.

2 Plant and equipment (Owned) include jointly owned assets ₹ 19.24 Lakhs *(as at 31st March, 2016: ₹ 19.24 Lakhs; as at 1st April, 2015: ₹ 19.24 Lakhs)*.

3 Land and building with a carrying amount of ₹ 6,344.77 Lakhs *(as at 31st March, 2016 ₹ 9,354.30 Lakhs; as at 1st April, 2015 ₹ 9,514.48 Lakhs)* have been pledged to secure borrowings of the Group as security for bank loans under a mortgage (see Note 19).

4 Plant, equipments, furniture and fixtures with a carrying amount of ₹ 422.43 Lakhs *(as at 31st March, 2016 ₹ 689.66 Lakhs; as at 1st April, 2015 ₹ 734.06 Lakhs)* have been pledged to secure borrowings of the Group as security for bank loans under a mortgage (see Note 19).

5 Ships have been pledged to secure borrowings of the Group as security for bank loans under a mortgage (see Note 19)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 CONTD.....

6 One of the subsidiary of the group, Shapoorji Pallonji Shipping Services Limited has performed impairment assessment as at 31st March, 2017 and no impairment is considered necessary. The recoverable amount of the ships was determined based on value-in-use calculations which required the use of assumptions. Following key assumptions have been used:

i. Revenue for 2017-18, USD 10,500 per day per vessel with an increase of USD 500 per day per vessel till FY 2021-22 have been considered and from FY 2022-23 revenue of USD 12,500 per day per vessel till the end of useful life of the ship is considered.

ii. Operating expenses USD 5,361 per day with an increase of 3% year on year is considered.

iii. Libor 1.10% plus margin of 3% considered for calculating cost of debt and cost of equity was considered at 12.40% to arrive at weighted average cost of capital.

iv. Drydock expenses to be incurred for all the four vessels assumed to aggregate USD 19,100,000.

v. Scrap value is considered at USD 350 per light displacement tonnage.

6. Investment Property

₹ in Lakhs

Particulars	As at 31st Mar., 2017	*As at 31st Mar., 2016*	*As at 1st Apr., 2015*
Completed investment properties	**2,510.52**	*2,573.12*	*2,635.75*
Total	**2,510.52**	*2,573.12*	*2,635.75*

Cost or Deemed Cost	₹ in Lakhs
Balance as at 1st Apr., 2015	**2,635.75**
Additions	-
Disposals	-
Balance as at 31st Mar., 2016	**2,635.75**
Additions	-
Disposals	-
Balance as at 31st Mar., 2017	**2,635.75**

Accumulated depreciation and impairment	₹ in Lakhs
Depreciation expense	62.63
Balance as at 31st Mar., 2016	**62.63**
Depreciation expense	62.60
Balance as at 31st Mar., 2017	**125.23**

Carrying amount	₹ in Lakhs
Balance as at 1st Apr., 2015	**2,635.75**
Balance as at 31st Mar., 2016	**2,573.12**
Balance as at 31st Mar., 2017	**2,510.52**

All of the Group's investment properties are held under freehold interests. Investment properties with a carrying amount of ₹ 152.83 Lakhs; *(as at 31st March, 2016 ₹ 165.56 Lakhs; as at 1st April, 2015 ₹ 178.30 Lakhs)* have been pledged to secure borrowings of the Company as security for bank loans under a mortgage (see Note 19).

6.1 Fair value measurement of the Group's investment properties

The fair value of the Group's investment properties as at 31st March, 2017, *31st March, 2016, and 1st April, 2015* have been arrived at on the basis of a valuation carried out as on the respective dates by V.S.Modi and Yardi Prabhu, independent valuers not related to the Company. V.S. Modi and Yardi Prabhu are 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 Group's investment properties and information about the fair value hierarchy as at 31st March, 2017, *31st March, 2016, and 1st April, 2015* are as follows:

₹ in Lakhs

Particulars	Level 3	Fair value as at 31st Mar., 2017
Andhra Pradesh - Land	44.35	44.35
Delhi - Building	977.30	977.30
Gujarat - Land & Building	470.24	470.24
Kerala - Building	768.66	768.66
Maharashtra - Land & Building	64,534.56	64,534.56
Tamil Nadu - Land & Building	228.61	228.61
West Bengal - Building	590.28	590.28
Karnataka - Building	140.00	140.00
Total	**67,754.00**	**67,754.00**

Particulars	Level 3	Fair value as at 31st Mar., 2016
Andhra Pradesh - Land	42.23	42.23
Delhi - Building	906.15	906.15
Gujarat - Land & Building	447.74	447.74
Kerala - Building	736.48	736.48
Maharashtra - Land & Building	62,139.81	62,139.81
Tamil Nadu - Land & Building	218.61	218.61
West Bengal - Building	552.01	552.01
Karnataka - Building	130.00	130.00
Total	**65,173.03**	**65,173.03**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 CONTD.....

Particulars		Level 3	Fair value as at 1st Apr., 2015
Andhra Pradesh	- Land	42.23	42.23
Delhi	- Building	847.85	847.85
Gujarat	- Land & Building	403.31	403.31
Kerala	- Building	694.56	694.56
Maharashtra	- Land & Building	59,203.51	59,203.51
Tamil Nadu	- Land & Building	191.23	191.23
West Bengal	- Building	512.74	512.74
Karnataka	- Building	120.00	120.00
Total		**62,015.43**	**62,015.43**

7. Goodwill

₹ in Lakhs

Particulars	As at 31st Mar., 2017	*As at 31st Mar., 2016*	*As at 1st Apr., 2015*
Cost (or deemed cost)	**48,080.21**	*48,581.96*	*45,615.86*
Accumulated impairment losses	**4,145.20**	*4,145.20*	-
Total	**43,935.01**	*44,436.76*	*45,615.86*

Cost or Deemed Cost	As at 31st Mar., 2017	*As at 31st Mar., 2016*
Balance at beginning of year	**48,581.96**	*45,615.86*
Effect of foreign currency exchange differences	**(501.75)**	*2,966.10*
Balance at end of year	**48,080.21**	*48,581.96*

Accumulated impairment	As at 31st Mar., 2017	*As at 31st Mar., 2016*
Balance at beginning of year	**4,145.20**	-
Impairment losses recognised in the year (Refer Note 58)	**-**	*4,145.20*
Balance at end of year	**4,145.20**	*4,145.20*

₹ in Lakhs

8. Other Intangible assets

Particulars	Technical Knowhow	Development Expenditure	Brands/ Patents	Computer Software (Acquired)	Computer Software (Internally Generated)	Other Intangible Assets	Total
Cost or Deemed cost							
Balance as at 1st Apr., 2015	**-**	**1,174.37**	**399.89**	**301.14**	**76.77**	**47.87**	**2,000.04**
Additions	-	751.47	-	138.82	845.05	18.75	1,754.09
Reclassified as held for sale	-	-	-	24.24	-	-	24.24
Effect of foreign currency exchange difference	-	126.67	-	3.48	-	(15.46)	114.69
Balance as at 31st Mar., 2016	**-**	**2,052.51**	**399.89**	**419.20**	**921.82**	**51.16**	**3,844.58**
Additions	60.00	974.01	-	395.88	1,849.22	55.61	3,334.72
Disposal	-	-	-	(0.02)	-	-	(0.02)
Effect of foreign currency exchange difference	-	73.44	-	-	-	4.41	77.85
Balance as at 31st Mar., 2017	**60.00**	**3,099.96**	**399.89**	**815.06**	**2,771.04**	**111.18**	**7,257.13**
Accumulated depreciation and impairment							
Depreciation expense	-	486.65	162.90	157.09	184.31	23.48	1,014.43
Eliminated on reclassification as held for sale	-	-	-	17.65	-	-	17.65
Effect of foreign currency exchange difference	-	7.67	-	2.76	-	0.32	10.75
Balance as at 31st Mar., 2016	**-**	**494.32**	**162.90**	**142.20**	**184.31**	**23.80**	**1,007.53**
Depreciation expense	10.16	665.06	162.90	193.97	199.84	32.56	1,264.49
Effect of foreign currency exchange difference	-	14.26	-	-	-	1.43	15.69
Eliminated on disposals of assets	-	-	-	-	-	-	-
Balance as at 31st Mar., 2017	**10.16**	**1,173.64**	**325.80**	**336.17**	**384.15**	**57.79**	**2,287.71**
Carrying Amount							
Balance as at 1st Apr., 2015	**-**	**1,174.37**	**399.89**	**301.14**	**76.77**	**47.87**	**2,000.04**
Balance as at 31st Mar., 2016	**-**	**1,558.19**	**236.99**	**277.00**	**737.51**	**27.36**	**2,837.05**
Balance as at 31st Mar., 2017	**49.84**	**1,926.32**	**74.09**	**478.89**	**2,386.89**	**53.39**	**4,969.42**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 CONTD.....

9. Non Current Investments

9A. Investments in associates (carrying amount determined using the equity method of accounting)

₹ in Lakhs

Particulars	As at 31st Mar., 2017		*As at 31st Mar., 2016*		*As at 1st Apr., 2015*	
	Qty	Amount	*Qty*	*Amount*	*Qty*	*Amount*
Unquoted Investments (all fully paid)						
1. Ordinary Shares of THB 100 each in Euro P2P Direct (Thailand) Co. Limited	**19,596**	**26.68**	*19,596*	*26.68*	*19,596*	*26.68*
Post acquisition share in losses		**(26.68)**		*(26.68)*		*(26.68)*
		-		-		-
2. Equity shares of ₹ 10 each in Neuvo Consultancy Services Limited	**58,849**	**5.88**	*58,849*	*5.88*	*58,849*	*5.88*
Post acquisition share in losses		**(5.88)**		*(5.88)*		*(5.88)*
		-		-		-
TOTAL INVESTMENTS		**-**		-		-

9B. Investments in joint ventures (carrying amount determined using the equity method of accounting)

₹ in Lakhs

Particulars	As at 31st Mar., 2017		*As at 31st Mar., 2016*		*As at 1st Apr., 2015*	
	Qty	Amount	*Qty*	*Amount*	*Qty*	*Amount*
Unquoted Investments (all fully paid)						
Equity instrument (at cost less impairment)						
1. Equity shares of USD 1 each in Edumetry Inc. USA	**-**	**-**	*2,500*	*35.48*	*2,500*	*35.48*
Post acquisition share in losses		**-**		*35.48*		*35.48*
		-		-		-
2. Equity shares of ₹ 10 each in Shapoorji Pallonji Bumi Armada Offshore Limited	**-**	**-**	*50,00,100*	*500.01*	*50,00,100*	*500.01*
(fomerly known as Forbes Bumi Armada Offshore Limited)						
Post acquisition share in profits		**-**		*809.78*		*1,099.47*
		-		*1,309.79*		*1,599.48*
3. Equity shares of ₹ 10 each in Forbes Bumi Armada Limited	**28,05,000**	**280.56**	*28,05,000*	*280.56*	*28,05,000*	*280.56*
Post acquisition share in profits		**199.91**		*149.05*		*104.38*
		480.47		*429.61*		*384.94*
4. Equity shares of ₹10/- fully paid up in Forbes Aquatech Ltd.	**5,00,000**	**50.00**	*5,00,000*	*50.00*	*5,00,000*	*50.00*
Post acquisition share in profits		**562.80**		*477.72*		*378.58*
		612.80		*527.72*		*428.58*
5. Equity shares of ₹ 10/- fully paid up in Forbes Concept Hospitality Services Pvt.Ltd	**26,25,000**	**262.50**	*26,25,000*	*262.50*	*26,25,000*	*262.50*
Post acquisition share in (Losses)		**(256.10)**		*(256.41)*		*(256.36)*
		6.40		*6.09*		*6.14*
6. Equity shares of ₹ 10/- fully paid up in Infinite Water Solutions Private Ltd	**35,00,000**	**350.00**	*35,00,000*	*350.00*	*35,00,000*	*350.00*
Post acquisition share in profits		**1,282.46**		*879.48*		*582.72*
		1,632.46		*1,229.48*		*932.72*
7. Equity shares of ₹ 10/- fully paid up in EuroLife Regen Pvt. Ltd.	**-**	**-**	-	-	*5,00,000*	*50.00*
Post acquisition share in (Losses)		**-**		-		*(50.00)*
		-		-		-
8. Equity shares of ₹ 10/- fully paid up in Aquaignis Technologies Private Limited	**29,27,867**	**292.79**	*29,27,867*	*292.79*	*29,27,867*	*292.79*
Post acquisition share in (Losses)		**(107.91)**		*(102.42)*		*(112.98)*
		184.88		*190.37*		*179.81*

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 CONTD.....

₹ in Lakhs

Particulars	As at 31st Mar., 2017		*As at 31st Mar., 2016*		*As at 1st Apr., 2015*	
	Qty	Amount	*Qty*	*Amount*	*Qty*	*Amount*
9. Equity shares of ₹ 10/- fully paid up in Forbes G4S Solutions Private Limited	**5,000**	**0.50**	*5,000*	*0.50*	*5,000*	*0.50*
Post acquisition share in (Losses)		**(0.50)**		*(0.50)*		*(0.50)*
		-		*-*		*-*
10. Equity shares of ZAR 0.01/- in AMC Cookware PTY Ltd.	**5,000**	**-**	*5,000*	*-*	*5,000*	*-*
Post acquisition share in profits		**3,799.77**		*2,459.93*		*2,823.06*
		3,799.77		*2,459.93*		*2,823.06*
TOTAL INVESTMENTS		**6,716.78**		*6,152.99*		*6,354.73*

9C. Other investments

₹ in Lakhs

Particulars	As at 31st Mar., 2017		*As at 31st Mar., 2016*		*As at 1st Apr., 2015*	
	Qty	Amount	*Qty*	*Amount*	*Qty*	*Amount*
Quoted Investments (all fully paid)						
Investments in Equity Instruments - measured at FVOCI						
Equity shares of ₹ 10 each fully paid up in Reliance Power Limited	**8,913**	**4.29**	*8,913*	*4.40*	*8,913*	*5.04*
Equity shares of ₹ 10 each fully paid up in SPS Finquest Limited	**2,49,600**	**299.27**	*2,49,600*	*244.61*	*2,49,600*	*204.67*
		303.56		*249.01*		*209.71*
Unquoted Investments (all fully paid)						
Investments in Equity Instruments - measured at FVOCI						
Equity shares of ₹ 10/- fully paid up in Kasiak Research Private Limited.	**378**	**-**	*378*	*124.74*	*-*	*-*
Equity shares of ₹ 10/- fully paid up in Idea Bubbles Consulting Services Private Limited	**14,650**	**234.40**	*14,650*	*58.97*	*-*	*-*
Equity shares of ₹ 10/- fully paid up in Water Quality Association (Refer Note 2)	**7,143**	**0.71**	*7,143*	*0.71*	*7,143*	*0.71*
Series C Preferred Units of USD 0.15 each in Econopure Water Systems LLC	**16,66,667**	**-**	*16,66,667*	*-*	*10,00,000*	*-*
		235.11		*184.42*		*0.71*
Investments in Equity Instruments - measured at FVTPL						
Equity shares of ₹ 10 each in New India Co-operative Bank Limited	**5,500**	**0.55**	*5,500*	*0.55*	*5,500*	*0.55*
Equity shares of ₹ 500 each in Tuticorin Chamber of Commerce	**10**	**-**	*10*	*-*	*10*	*-*
Equity Shares of ₹ 10 each in Simar Port Private Limited	**1,000**	**0.10**	*1,000*	*0.10*	*1,000*	*0.10*
Equity shares of ₹ 10 each in The Svadeshi Mills Company Ltd.	**17,69,430**	**-**	*17,69,430*	*-*	*17,69,430*	*-*
Equity Share of SGD 1 each in Forbes Container Lines Pte. Limited (Refer Note 1 below)	**8,64,960**	**-**	*-*	*-*	*-*	*-*
		0.65		*0.65*		*0.65*
Investments in Equity Instruments at amortised cost						
Equity shares of ₹ 10 each in Carmel Properties Pvt Ltd. (Refer Note 3)	**1,125**	**0.03**	*1,125*	*0.03*	*1,125*	*0.03*
		0.03		*0.03*		*0.03*
Investment in Debentures at amortised cost						
Irredeemable debentures of ₹ 100 each in Carmel Properties Private Ltd. (Refer Note 3)	**3,089**	**3.89**	*3,089*	*3.89*	*3,089*	*3.89*
		3.89		*3.89*		*3.89*
TOTAL INVESTMENTS		**543.24**		*438.00*		*214.99*

Note:

1 Forbes Container Line Pte. Ltd., Singapore ("FCLPL"), a foreign subsidiary of the Company has been ordered to be wound by the High Court of Republic of Singapore on 19th August, 2016. An official liquidator has been appointed by the court. As on 31st March, 2017, Company has made full provision for investments made and loans given to FCLPL.

2 A subsidiary has invested in 7143 shares of face value ₹ 10 /- each in Water Quality Association, a non profit making organisation hence the fair value has been considered similar to the carrying value.

3 This investment is represented by Carmel Property (a residential flat at Mumbai), market value of which as at 31st March, 2017 is ₹ 1,026.10 Lakhs, as at 31st March, 2016 is ₹ 993.00 Lakhs and as at 1st April, 2015 is ₹ 959.90 Lakhs as per valuation report dated 14th April, 2017 issued by Yardi Prabhu Consultants and Valuer Private Limited, Mumbai.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 CONTD.....

9D. Current investments

₹ in Lakhs

Quoted Investments (all fully paid)	**As at 31st Mar., 2017**		*As at 31st Mar., 2016*		*As at 1st Apr., 2015*	
Investments in Equity Instruments at FVTPL	**Qty**	**Amount**	*Qty*	*Amount*	*Qty*	*Amount*
Equity shares of ₹ 10/- fully paid up in Bajaj Holding and Investment Limited	**100**	**2.16**	*100*	*1.47*	*100*	*1.30*
Equity shares of ₹ 10/- fully paid up in MOIL Limited	**3785**	**11.88**	*3785*	*8.24*	*3785*	*10.47*
		14.04		*9.71*		*11.77*
Unquoted Investments (all fully paid)						
Investments in Mutual Funds at FVTPL						
Units shares of ₹ 10/- fully paid up in Reliance Vision Fund Growth Plan Growth Option	**357.856**	**1.76**	*357.856*	*1.48*	*357.856*	*1.00*
TOTAL AGGREGATE INVESTMENTS		**15.80**		*11.19*		*12.77*

Category-wise investments – as per Ind AS 109 classification

₹ in Lakhs

Particulars	**As at 31st Mar., 2017**	*As at 3 1st Mar., 2016*	*As at 1st Apr., 2015*
Financial assets carried at fair value through Other Comprehensive Income (FVTOCI)			
Equity Instruments	**538.67**	*433.43*	*210.42*
	538.67	*433.43*	*210.42*
Financial assets carried at fair value through profit or loss (FVTPL)			
Equity Instruments	**16.45**	*11.84*	*13.42*
	16.45	*11.84*	*13.42*
Financial assets carried at amortised cost			
Debentures	**3.89**	*3.89*	*3.89*
Equity Instruments	**0.03**	*0.03*	*0.03*
	3.92	*3.92*	*3.92*
Financial assets carried at cost less impairment			
Equity Instruments	**6,716.78**	*6,152.99*	*6,354.73*
	6,716.78	*6,152.99*	*6,354.73*
Total	**7,275.82**	*6,602.18*	*6,582.49*
Footnote:			
Aggregate amount of quoted non current investments (net of impairment)	**303.56**	*249.01*	*209.71*
Aggregate amount of unquoted non current investments (net of impairment)	**6,972.26**	*6,353.17*	*6,372.78*
Aggregate amount of quoted current investments (net of impairment)	**14.04**	*9.71*	*11.77*
Aggregate amount of unquoted current investments (net of impairment)	**1.76**	*1.48*	*1.00*
Aggregate amount of impairment in value of investments	**624.61**	*353.35*	*353.35*

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 CONTD.....

10. Trade receivables

10A. Non Current

₹ in Lakhs

Particulars	As at 31st Mar., 2017	*As at 31st Mar., 2016*	*As at 1st Apr., 2015*
Trade receivables			
a) Unsecured, considered good	**4,093.92**	*4,607.77*	*2,965.05*
b) Doubtful	**14,953.53**	*13,350.43*	*11,591.81*
	19,047.45	*17,958.20*	*14,556.86*
Allowance for doubtful debts (expected credit allowance)	**14,953.53**	*13,350.43*	*11,591.81*
Total	**4,093.92**	*4,607.77*	*2,965.05*

10B. Current

₹ in Lakhs

Particulars	As at 31st Mar., 2017	*As at 31st Mar., 2016*	*As at 1st Apr., 2015*
Trade receivables			
a) Unsecured, considered good	**46,385.31**	*52,568.67*	*56,081.92*
b) Doubtful	**4,510.88**	*4,076.05*	*3,478.68*
	50,896.19	*56,644.72*	*59,560.60*
Allowance for doubtful debts (expected credit allowance)	**4,510.88**	*4,076.05*	*3,478.68*
Total	**46,385.31**	*52,568.67*	*56,081.92*

Debts due by private companies in which director is a director / member (₹ in Lakhs)	**2.04**	*5.08*	*3.59*

The Group applies the simplified approach to providing for expected credit losses prescribed by Ind AS 109, which permits the use of lifetime expected loss provision for all trade receivables. The Group has computed expected credit losses based on provision matrix which uses historical credit loss experience of the Group. Forward looking information (including macro economic information) has been incorporated into the determination of expected credit losses.

Receivable from Government institutions have been excluded for determining loss allowance for expected credit losses since the dues from the government is certainly receivable. Water Projects receivable comprise of various components including retention money which is not due for collection. The other part of the receivable is governed by individual contracts and agreements. The Group has written off / provided for receivable where non-recoverability is established. Group believes that the unimpaired amounts that are past due are still collectible in full, based on historical payment behaviour.

In shipping business, historical credit loss experience has been considered and in past, no credit loss is suffered. In future, there will be no expected credit loss as vessels are under Pool agreement.

There are no customers who represents more than 5% of the total balance of trade receivables.

The ageing of receivables and movement in expected credit loss allowance is as follows:

₹ in Lakhs

	As at 31st Mar., 2017	*As at 31st Mar., 2016*
0-1 Year	**42,950.00**	*48,818.96*
More than 1 Year	**7,529.23**	*8,357.48*
	50,479.23	*57,176.44*

Movement in expected credit allowance

₹ in Lakhs

	As at 31st Mar., 2017	*As at 31st Mar., 2016*
Balance at beginning of the year	**17,426.48**	*15,070.50*
Impairment losses recognised on receivables	**2,108.08**	*2,435.51*
Amounts written off during the year as uncollectible	**(13.21)**	*(30.02)*
Amounts recovered during the year	**(56.94)**	*(49.51)*
Balance at end of the year	**19,464.41**	*17,426.48*

As at 31st Mar., 2017, trade receivables of ₹ 19,464.41 Lakhs *(as at 31st March, 2016 ₹ 17,426.48 Lakhs ; as at 1st April, 2015 ₹ 15,070.50 Lakhs)* were impaired. 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

₹ in Lakhs

Particulars	As at 31st Mar., 2017	*As at 31st Mar., 2016*	*As at 1st Apr., 2015*
< 180 days	**1,939.51**	*2,245.08*	-
> 180 days	**17,524.90**	*15,181.40*	*15,070.50*
Total	**19,464.41**	*17,426.48*	*15,070.50*

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 CONTD.....

11. Loans

11A. Non Current

₹ in Lakhs

Particulars	As at 31st Mar., 2017	*As at 31st Mar., 2016*	*As at 1st Apr., 2015*
a) Loans to related parties (Refer Note 48)			
- Unsecured, considered doubtful	**110.79**	*107.75*	*107.75*
Less : Allowance for bad and doubtful loans	**110.79**	*107.75*	*107.75*
sub total (a)	**-**	-	-
b) Loans and advances to employees			
- Unsecured, considered good	**-**	*72.19*	*97.99*
sub total (b)	**-**	*72.19*	*97.99*
c) Loans to others			
- Secured, considered doubtful	**4,391.78**	*4,391.78*	*4,716.78*
- Unsecured, considered good	**275.77**	*540.61*	*441.68*
- Unsecured, considered Doubtful	**3,345.98**	*3,161.90*	*3,520.74*
Less : Allowance for bad and doubtful loans	**7,737.76**	*7,553.68*	*8,237.52*
sub total (c)	**275.77**	*540.61*	*441.68*
Total (a+b+c)	**275.77**	*612.80*	*539.67*

11B. Current

₹ in Lakhs

Particulars	As at 31st Mar., 2017	*As at 31st Mar., 2016*	*As at 1st Apr., 2015*
a) Loans to related parties (Refer Note 48)			
- Unsecured, considered good	**-**	-	*59.47*
sub total (a)	**-**	-	*59.47*
b) Loans and advances to employees			
- Unsecured, considered good	**60.86**	*27.85*	*33.53*
- Doubtful	**2.78**	*2.40*	*0.82*
Less : Allowance for doubtful loans and advances	**2.78**	*2.40*	*0.82*
sub total (b)	**60.86**	*27.85*	*33.53*
c) Loans to others			
- Secured, considered good	**-**	*364.99*	-
- Unsecured, considered good	**11.79**	*429.23*	*6.40*
- Doubtful	**302.47**	-	-
Less : Allowance for bad and doubtful loans	**302.47**	-	-
sub total (c)	**11.79**	*794.22*	*6.40*
Total (a+b+c)	**72.65**	*822.07*	*99.40*

Note: The above loans are carried at amortised cost.

12. Other financial assets

12A. Non current

(unsecured considered good unless otherwise stated)

₹ in Lakhs

Particulars	As at 31st Mar., 2017	*As at 31st Mar., 2016*	*As at 1st Apr., 2015*
a) Accruals:			
i) Interest accrued on deposits with bank	**7.04**	*17.41*	*6.45*
ii) Interest accrued on loans to others	**383.66**	*154.67*	*121.53*
sub total (a)	**390.70**	*172.08*	*127.98*
b) Security deposits			
- Unsecured, considered good	**2,525.19**	*2,473.91*	*2,518.92*
- Doubtful	**9.80**	*9.80*	*9.80*
Less : Allowance for doubtful deposits	**9.80**	*9.80*	*9.80*
sub total (b)	**2,525.19**	*2,473.91*	*2,518.92*
c) Bank deposits with more than 12 months maturity	**49.42**	*40.63*	*44.53*
d) Balance held as margin money and in long term deposit with bank-earmarked balances	**1,339.37**	*1,347.94*	*1,030.16*
Total (a+b+c+d)	**4,304.68**	*4,034.56*	*3,721.59*

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 CONTD.....

12B. Current
(unsecured considered good unless otherwise stated)

₹ in Lakhs

Particulars	As at 31st Mar., 2017	*As at 31st Mar., 2016*	*As at 1st Apr., 2015*
a) Accruals:			
i) Interest accrued on deposits with bank	**38.80**	*10.24*	*34.24*
ii) Interest accrued on investments	**0.02**	*0.02*	*0.03*
iii) Interest accrued on loans and advances	**-**	*652.05*	*14.50*
sub total (a)	**38.82**	*662.31*	*48.77*
b) Security deposits	**392.51**	*644.77*	*406.01*
c) Contractually reimbursable expenses from Others			
- Unsecured, considered good	**-**	*71.90*	*112.28*
- Doubtful	**-**	*-*	*6.62*
Less : Allowance for doubtful debts	**-**	*-*	*6.62*
sub total (c)	**-**	*71.90*	*112.28*
d) Contractually reimbursable expenses from related parties	**273.25**	*389.37*	*398.39*
e) Other curent receivables	**2,008.68**	*20.00*	*80.55*
f) Earnest Money Deposits	**205.33**	*232.16*	*201.14*
Total (a+b+c+d+e+f)	**2,918.59**	*2,020.51*	*1,247.14*

13. Inventories

₹ in Lakhs

Particulars	As at 31st Mar., 2017	*As at 31st Mar., 2016*	*As at 1st Apr., 2015*
Inventories (lower of cost and net realisable value)			
Raw materials & Components (includes in transit ₹ 1,748.55 Lakhs *(as at 31st March, 2016 ₹ 1,235.66 Lakhs)*	**7,253.73**	*6,544.87*	*5,911.30*
Work-in-progress	**428.07**	*421.08*	*467.88*
Finished goods	**1,227.59**	*1,238.62*	*1,162.81*
Stock-in-trade (includes in transit ₹1,769.72 Lakhs *(as at 31st March, 2016 ₹ 1,978.07 Lakhs)*	**29,796.35**	*25,452.71*	*22,892.79*
Stores and spares	**274.91**	*263.74*	*271.38*
Real estate development work-in-progress	**4,804.58**	*1,524.45*	*1,043.30*
Total	**43,785.23**	*35,445.47*	*31,749.46*

Refer Note 29, 30A for details of cost of inventories recognised as an expense during the year in respect of continuing operations.

The cost of inventories recognised as an expense includes ₹ (-) 392.42/- Lakhs (as at 31st March, 2016 ₹ 718.80/- Lakhs) in respect of write back/write-downs of inventory to net realisable value. Previous write-downs have been reversed as a result of increased sales prices in certain markets.

14.
14A. Cash and cash equivalents

₹ in Lakhs

Particulars	As at 31st Mar., 2017	*As at 31st Mar., 2016*	*As at 1st Apr., 2015*
Balances with Banks			
a) In current accounts	**15,569.40**	*11,669.66*	*11,608.87*
b) Deposits accounts (with original maturity upto 3 months)	**1,010.77**	*762.50*	*-*
	16,580.17	*12,432.16*	*11,608.87*
Cheques, drafts on hand	**2,399.64**	*1,121.12*	*1,841.30*
Cash on hand	**56.28**	*272.90*	*223.61*
	2,455.92	*1,394.02*	*2,064.91*
Total	**19,036.09**	*13,826.18*	*13,673.78*

14B. Bank balances

₹ in Lakhs

Particulars	As at 31st Mar., 2017	*As at 31st Mar., 2016*	*As at 1st Apr., 2015*
a) Earmarked accounts:			
- Unpaid dividend	**-**	*-*	*2.37*
b) In deposit accounts with original maturity of more than 3 months but less than 12 months	**3,023.21**	*1,069.81*	*1,129.07*
c) In deposit accounts with original maturity of more than 12 months	**169.86**	*151.44*	*143.34*
d) Balances held as margin money / under lien with remaining maturity of less than 12 months	**64.88**	*64.88*	*120.68*
Total	**3,257.95**	*1,286.13*	*1,395.46*

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 CONTD.....

15. Other assets

15A. Non Current

₹ in Lakhs

Particulars	As at 31st Mar., 2017	*As at 31st Mar., 2016*	*As at 1st Apr., 2015*
a) Capital Advances	**286.90**	*733.74*	*600.16*
b) Prepaid expenses	**84.36**	*108.22*	*85.21*
c) Prepaid Leasehold Assets (Refer Note 1 below)	**24.07**	*24.53*	*541.81*
d) Balances with statutory / government authorities			
- Unsecured, Considered good	**2,287.02**	*2,592.94*	*2,021.10*
- Doubtful	**46.69**	*46.69*	*46.69*
Less : Allowance for doubtful balances	**46.69**	*46.69*	*46.69*
	2,287.02	*2,592.94*	*2,021.10*
e) Advance wealth tax	**408.29**	*58.16*	*58.16*
Total	**3,090.64**	*3,517.59*	*3,306.44*

15B. Current

₹ in Lakhs

Particulars	As at 31st Mar., 2017	*As at 31st Mar., 2016*	*As at 1st Apr., 2015*
a) Advances to related parties	**109.53**	*31.45*	*38.38*
b) Advances for supply of goods and services			
- Unsecured, considered good	**8,023.48**	*6,847.80*	*3,649.61*
- Doubtful	**139.04**	*22.29*	*15.91*
Less : Allowance for doubtful advances	**139.04**	*22.29*	*15.91*
	8,023.48	*6,847.80*	*3,649.61*
c) Advance recoverable in Kind	**32.71**	*211.74*	*399.37*
d) Prepaid expenses	**1,583.96**	*1,341.53*	*1,503.83*
e) Prepaid lease hold assets (Current)(Refer Note 1 below)	**0.46**	*0.46*	*0.46*
f) Balances with statutory / government authorities	**2,059.97**	*1,559.73*	*1,417.19*
g) Export incentives receivables	**129.65**	*90.30*	*117.25*
h) Advance to Staff	**17.62**	*33.57*	*35.99*
i) Amount due from customers	**3,095.57**	-	-
j) Unbilled Revenue	**109.33**	*3.00*	*2.75*
Total	**15,162.28**	*10,119.58*	*7,164.83*

Note:

1. Leasehold land with a carrying amount of ₹ Nil *(as at 31st March, 2016 ₹ 125.57 Lakhs; as at 1st April, 2015 ₹ 125.57 Lakhs)* have been pledged to secure borrowings of the Group (see Note 19). The same have been pledged as security for bank loans under a mortgage. The Group is not allowed to pledge these assets as security for other borrowings or to sell them to another entity.

16A. Asset classified as held for sale

₹ in Lakhs

Particulars	As at 31st Mar., 2017 Refer note (i)	*As at 31st Mar., 2016 Refer note (ii)*	*As at 1st Apr., 2015*
Land - Leasehold	**7.53**	*483.87*	-
Buildings	**89.97**	*2,471.22*	-
Plant and machinery	**95.61**	*1,080.80*	-
Freehold land	**-**	*125.57*	-
Furniture and fixtures	**7.62**	*147.11*	-
Computers	**0.26**	*5.14*	-
Computer Software	**-**	*6.60*	-
Electrical Intallation	**3.31**	-	-
Office Equipment	**0.43**	-	-
Capital WIP	**-**	*28.62*	-
Trade receivables	**-**	*95.77*	-
Other financial assets current	**-**	*15.89*	-
Other current assets	**-**	*50.42*	-
Total	**204.73**	*4,511.01*	-

16B. Liability associated with assets held for sale

₹ in Lakhs

Particulars	As at 31st Mar., 2017 Refer Note (i)	*As at 31st Mar., 2016 Refer Note (ii)*	*As at 1st Apr., 2015*
Provisions	**-**	*18.76*	-
Trade Payables	**-**	*416.47*	-
Liability associated with assets held for sale	**-**	*435.23*	-

(I) The Group intends to dispose off the above assets relating to Health, Hygiene, Safety Products and its services division as it no longer intends to utilise in the next 12 months. A search for a buyer is underway. No impairment loss was recognised on reclassification of above assets as held for sale as the Group expects the fair value less cost to sell is higher than the carrying amount.

(ii) Also Refer Note 56 for sale of shipping business comprising Container Freight Station (CFS) at Veshvi and Mundra and Logistics Service business on a slump sale basis.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 CONTD.....

17. Equity Share Capital

₹ in Lakhs

Particulars	As at 31st Mar., 2017	*As at 31st Mar., 2016*	*As at 1st Apr., 2015*
Authorised Share capital :			
1,50,00,000 fully paid equity shares of ₹ 10 each	**1,500.00**	*1,500.00*	*1,500.00*
Issued, subscribed and paid-up share capital:			
1,27,32,218 fully paid equity shares of ₹ 10 each *(as at 31st March, 2016: 1,27,32,218; as at 1st April, 2015: 1,27,32,218)* [excludes 1,66,398 equity shares held by a subsidiary, which have been eliminated on consolidation]	**1,273.22**	*1,273.22*	*1,273.22*
	1,273.22	*1,273.22*	*1,273.22*

17.1 Fully paid equity shares

Particulars	Number of shares	Amount ₹ in Lakhs
Balance as at 1st Apr., 2015	**1,27,32,218**	**1,273.22**
Movements	**-**	**-**
Balance as at 31st Mar., 2016	**1,27,32,218**	**1,273.22**
Movements	**-**	**-**
Balance as at 31st Mar., 2017	**1,27,32,218**	**1,273.22**

Rights, preferences and restrictions attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. 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.

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

Fully paid ordinary shares

Particulars	As at 31st Mar., 2017	*As at 31st Mar., 2016*	*As at 1st Apr., 2015*
Balance at the beginning of the period :			
Shapoorji Pallonji and Company Private Limited, the holding company	**93,59,293**	*93,59,293*	*93,59,293*
Total	**93,59,293**	*93,59,293*	*93,59,293*

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

₹ in Lakhs

Particulars	As at 31st Mar., 2017	
	Number of shares held	% holding in the class of shares
Fully paid equity shares		
Shapoorji Pallonji and Company Private Limited	**93,59,293**	**73.51**
India Discovery Fund Limited	**11,48,255**	**9.02**
Total	**1,05,07,548**	**82.53**

Particulars	*As at 31st Mar., 2016*	
	Number of shares held	*% holding in the class of shares*
Fully paid equity shares		
Shapoorji Pallonji and Company Private Limited	*93,59,293*	*73.51*
India Discovery Fund Limited	*11,48,255*	*9.02*
Total	*1,05,07,548*	*82.53*

Particulars	*As at 1st Apr., 2015*	
	Number of shares held	*% holding in the class of shares*
Fully paid equity shares		
Shapoorji Pallonji and Company Private Limited	*93,59,293*	*73.51*
India Discovery Fund Limited	*11,48,255*	*9.02*
Total	*1,05,07,548*	*82.53*

17.4 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 CONTD.....

18. Other equity

₹ in Lakhs

Particulars	As at 31st Mar., 2017	*As at 31st Mar., 2016*	*As at 1st Apr., 2015*
a) Capital reserve (including government grants)			
Balance at beginning of the year	**188.24**	*188.24*	
Balance at end of the year	**188.24**	*188.24*	*188.24*
b) Capital contribution reserve			
Balance at beginning of the year	**493.54**	*493.54*	
Balance at end of the year	**493.54**	*493.54*	*493.54*
c) Securities premium reserve			
Balance at beginning of the year	**161.76**	*161.76*	
Balance at end of the year	**161.76**	*161.76*	*161.76*
d) Tonnage tax reserve			
Balance at beginning of the year	**188.38**	*112.88*	
Add: Transferred from retained earnings	**32.75**	*75.50*	
Balance at end of the year	**221.13**	*188.38*	*112.88*
e) Debenture redemption reserve			
Balance at beginning of the year	**2,500.00**	*2,500.00*	
Balance at end of the year	**2,500.00**	*2,500.00*	*2,500.00*
f) General reserve			
Balance at beginning of the year	**42,593.53**	*42,657.55*	
Add: Transferred to retained earnings	**-**	*(64.02)*	
Balance at end of the year	**42,593.53**	*42,593.53*	*42,657.55*
g) Foreign currency translation reserve			
Balance at beginning of year	**206.59**	-	
Disposal/Reduction of partial interest in subsidiary	**59.53**	-	
Exchange differences in translating the financial statements of foreign operations	**1,057.10**	*206.59*	
Balance at end of the year	**1,323.22**	*206.59*	-

₹ in Lakhs

Particulars	As at 31st Mar., 2017	*As at 31st Mar., 2016*	*As at 1st Apr., 2015*
h) Capital reserve on consolidation			
Balance at beginning of the year	**1,206.27**	*1,206.27*	
Balance at end of the year	**1,206.27**	*1,206.27*	*1,206.27*
i) Reserve for equity instruments through other comprehensive income			
Balance at beginning of year	**(101.39)**	*(71.10)*	
Net fair value gain on investments in equity instruments at FVTOCI (net of tax)	**88.20**	*(30.29)*	
Balance at end of the year	**(13.19)**	*(101.39)*	*(71.10)*
j) Retained earnings			
Balance at beginning of year	**(27,706.65)**	*(21,422.66)*	
Profit/(Loss) attributable to owners of the Company	**8,500.52**	*(5,855.37)*	
Other comprehensive income (net of tax)	**(144.50)**	*83.75*	
Expenses related to Capital Reduction by a subsidiary	**(2.28)**	-	
Tax on Intra group dividends	**(10.19)**	*(335.91)*	
Disposal/Reduction of partial interest in subsidiary	**-**	*(164.98)*	
Add: Transferred from/(to):			
( ) General Reserve	**-**	*64.02*	
(ii) Tonnage Tax Reserve	**(32.75)**	*(75.50)*	
	(19,395.85)	*(27,706.65)*	*(21,422.66)*
k) Equity Component in Preference Share Capital			
Balance at beginning of the year	**894.42**	*894.42*	
Balance at end of the year	**894.42**	*894.42*	*894.42*
Total	**30,173.07**	*20,624.69*	*26,720.90*

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 CONTD.....

In respect of the year ended 31st March, 2017, the directors propose that a dividend of ₹ 2.50 per share be paid on fully paid equity shares. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these consolidated financial statements. The proposed equity dividend is payable to all holders of fully paid equity shares. The total estimated equity dividend to be paid is ₹ 322.47 Lakhs. Dividend distribution tax on proposed dividend is being ₹ 65.64 Lakhs.

Description of nature and purpose of reserves

(i) Capital reserve
The Group recognises profit or loss on purchase, sale, issue or cancellation of Group's own equity instruments to 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.

(ii) Capital contribution reserve
Capital contribution reserve represents the difference of value on account of foreign currency conversion on account of capital contribution and treated as part of total equity.

(iii) Securities premium reserve
Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.

(iv) Tonnage tax reserve
The Group has opted for computation of its income from shipping activities under the tonnage tax scheme for taxation purpose. As per the scheme, the Group is required to transfer not less than 20% of its book profit derived from the activities referrred 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.

(v) Debenture redemption reserve
The Group has issued Redeemable Non-convertible Debentures. Accordingly, the Companies (Share Capital and Debenture) Rules, 2014 (as amended), requires the Group to create Debenture redemption reserve out of profits of the Group available for payment of dividend for an amount equal to 25% of the value of debentures issued.

(vi) General reserve
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.

(vii) Foreign currency translation reserve
Exchange differences relating to the translation of the results and net assets of Group's foreign operations from their functional currencies to the Group's presentation currency (i.e.₹) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. Gain and losses on derivatives that are designated as hedging instruments for hedges of net investments in foreign operations are included in the foreign currency translation reserve. Exchange differances previously accumulated in the foreign currency transaltion reserve (in respect of translating both the net assets of foreign operations and hedges of foreign operations) are reclassified to profit or loss on the disposal of foreign operations.

(viii) Capital reserve on consolidation
The holding company's interest in the pre acquisition reserves and profits (or losses) is adjusted against cost of control to arrive at goodwill or capital reserve on consolidation.

(ix) 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 of.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 CONTD.....

19. Non-current Borrowings

₹ in Lakhs

Particulars	Non-current portion			Current maturities		
	As at 31st Mar., 2017	*As at 31st Mar., 2016*	*As at 1st Apr., 2015*	**As at 31st Mar., 2017**	*As at 31st Mar., 2016*	*As at 1st Apr., 2015*
A - Secured – at amortised cost						
(a) Debentures (Refer Note below) Redeemable Non-Convertible Debentures - Secured by mortgage of premises being the land and factory situated at Waluj, Aurangabad together with plant and machinery and other support facilities.	**9,963.74**	*5,968.96*	*3,963.55*	**-**	*3,997.08*	*5,989.33*
(b) Term loans **From banks**	**-**	-	*1,008.06*	**-**	*999.19*	*988.87*
i) Federal Bank Limited - Secured by first exlusive charge by way of Equitable Mortgage of 11 flats along with part basement and part garages in "Volkart House", Mumbai. [Repayable in half yearly installments of ₹ 500 Lakhs each. First installment was due in July, 2014 and last installment is due in January, 2017. Rate of interest 9.88% p.a. to 10.45% p.a.]						
ii) DCB Bank Limited Term Loan - I - Secured by an exclusive charge by way of mortgage on the immovable property - Freehold Land parcel utilised as Container Freight Station (CFS) admeasuring 14.15 acres along with building & construction thereon both present and future, situated at village Veshvi, Taluka Uran, District Raigad, Sub-District Panvel, Maharashtra. [Repayable in quarterly installments of ₹ 375 Lakhs each. First installment is due in January, 2017 and last installment is due in October, 2017, account foreclosed in the year. Rate of interest 10.79% p.a. to 11.00% p.a.]	**-**	*1,124.73*	*1,498.29*	**-**	*374.26*	-
iii) Axis Bank, Dubai Foreign currency Term loan - I - Secured by first charge on the vessels refinanced under the loan and a first charge over Designated Earnings Account, receivables, earnings, claims against third parties, revenues of the Vessels of whatsoever nature. [The foreign currency term loan was obtained in July 2014 at Libor plus a Margin of 4.15%, which was revised to 3.50% with effect from 2nd January, 2016. An amount of USD 3 million was prepaid on 29th March 2016. The loan is repayable in 12 consecutive unequal semi-annual installments starting at the end of 6 months from the intial uitlisation date i.e. 2nd July, 2014. The repayment of installment follows an increasing pattern culminating in a bullet repayment installment of USD 187.28/- lakhs on 2nd July, 2020.]	**17,337.76**	*19,057.86*	*20,702.02*	**1,349.08**	*906.31*	*742.07*
iv) Export Import Bank of India - PEFP Loan - Secured by an exclusive charge by way of hypothecation of the specific movable fixed assets of the Company. [Repayable in quarterly installments of ₹ 17.30 Lakhs each. First installment was due in August, 2012 and last installment is due in August, 2018. Rate of interest 11% p.a to 12% p.a.]	**34.89**	*104.65*	*174.24*	**68.70**	*67.83*	*67.00*
v) Axis Bank Ltd - I - Secured by a mortgage over Primary : Exclusive 1st charge on movable and immovable fixed assets (tangible + intangible), present and future, of a subsidiary. Collateral: Extension of pari passu 1st charge on current assets of a subsidiary. [1. Floating rate loans with remaining maturity period not exceedings 3 years (as at 31st March, 2016: 4 years).The effective interest rate on these loans is 10.12% - 10.46%. The Maturity of Term Loan - March 2020.]	**1,142.00**	*1,714.00*	*2,700.00*	**572.00**	*2,986.00*	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 CONTD.....

₹ in Lakhs

Particulars	Non-current portion			Current maturities		
	As at 31st Mar., 2017	*As at 31st Mar., 2016*	*As at 1st Apr., 2015*	**As at 31st Mar., 2017**	*As at 31st Mar., 2016*	*As at 1st Apr., 2015*
vi) **DCB Bank Limited Term Loan -II -** Secured by an exclusive charge by way of mortgage on the immovable property. Leasehold Land parcel utilised as Container Freight Station (CFS) admeasuring 25.00 acres along with building & construction thereon both present and future, situated at Adani Past Special Economic Zone (APSEZ), Mundra, District Kutch, Gujarat. [Repayable in quarterly installments of ₹ 375 Lakhs each. First installment is due in January, 2017 and last installment is due in October, 2017, account foreclosed in the year. Rate of interest 10.85% p.a. to 11.00 % p.a.]	**-**	*1,124.73*	*1,498.29*	**-**	*374.26*	-
vii) **DCB Bank Limited Term Loan -III -** Secured by 1st Pari-passu charge on all the present and future current assets of a subsidiary along with Axis Bank Limited. [Floating rate loans with remaining maturity periods not exceedings 1 years and 8 months (as at 31st March, 2016: N.A).The effective interest rate on these loans is 11% per annum (as at 31st March, 2016: N.A). The Maturity of term loan - December - 2018.]	**600.01**	-	-	**599.99**	-	-
viii) **Foreign Currency External Commercial Borrowings - I -** Secured by first mortgage / pari-passu charge on the immovable properties situated at Andhra Pradesh, Gujarat, Kerala, Madhya Pradesh, Maharashtra, Odisha, Rajasthan, Tamil Nadu, Uttar Pradesh and West Bengal of a subsidiary. [Foreign Currency External Commercial Borrowings (ECB) from The Hongkong and Shanghai Banking Corporation and Societe Generale Bank for Euro 14,500,000 is repayable in 12 Equal Semi Annual instalments starting from 12th Feb. 2014 carrying interest rate of Euribor + Margin 2.5% p.a.]	**2,451.82**	*4,429.01*	*5,590.73*	**1,692.00**	*1,848.05*	*1,680.56*
ix) **Foreign Currency External Commercial Borrowings-II -** Secured against pari passu charge over all fixed assets(excluding movable assets for employee benefits) of a subsidiary, Negative lien on all other assets except suitable carve outs for working capital facilities and pledge over brands owned by a subsidiary. [Foreign Currency External Commercial Borrowings (ECB) from Hongkong and Shanghai Banking Corporation and Societe Generale Bank amounting to EURO 14,500,000 (Outstanding as on 31st March, 2017 Euro 6,045,050) carries interest rate of Euribor + Margin (2.5%). The loan is repayable in 11 half yearly installments of Euro 1,207,850 and last installment of Euro 1,213,650.]	**2,473.73**	*10,439.36*	*5,632.34*	**1,670.10**	*1,813.16*	*1,638.95*
x) **Foreign Currency External Commercial Borrowings III -** Secured against pari passu charge on tangible and intangible assets of a subsidiary. [Foreign Currency External Commercial Borrowings (ECB) from ICICI Bank UK Plc amounting to EURO 8,000,000 (Outstanding as on 31st March 2017 Euro 8,000,000) carries interest rate of Euribor + Margin (2.0%) The loan is repayable in 6 half yearly installments of Euro 1,120,000 and last installment of Euro 1,280,000, beginning from 11th December 2017.]	**4,737.94**	-	-	**774.31**	-	-
xi) **Term Loan from HSBC/ Societe Generale Bank consortium** [The loan was repayable in 11 equal semi anuual instalments starting from August 2014. The loan was repaid in financial year 2015-16.]	**-**	-	*8,782.54*	**-**	-	*1,850.15*
From others						
i) **Tata Capital Financial Services Limited -** Secured by first and exclusive charge by way of hypothecation on the assets acquired through facility. [Repayable in monthly equated installments. First installment was due in November, 2012 and last installment is due in August, 2016, account foreclosed in the financial year 2015-16. Rate of interest 11.50% p.a.]	**-**	-	*53.47*	**-**	-	*112.11*
ii) **Others -** Secured against hypothecation of inventory and trade receivables [Interest rates were between 6.789% to 7.95% p.a.]	**-**	*3,281.36*	*3,086.98*	**-**	-	-
	28,778.15	*41,275.70*	*50,726.96*	**6,726.18**	*9,369.06*	*7,079.71*

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 CONTD.....

₹ in Lakhs

Particulars	Non-current portion			Current maturities		
	As at 31st Mar., 2017	*As at 31st Mar., 2016*	*As at 1st Apr., 2015*	**As at 31st Mar., 2017**	*As at 31st Mar., 2016*	*As at 1st Apr., 2015*
(c) Finance lease obligations - Secured by Computer Hardware financed	**-**	-	*778.57*	**-**	*534.34*	*250.44*
[Repayable in quarterly equated installments. First installment was due in July, 2011 and last installment is due in December, 2015. Rate of Interest in the range of 7.68% to 9.33 % p.a.]						
A - Total (a+b+c)	**38,741.89**	*47,244.66*	*55,469.08*	**6,726.18**	*13,900.48*	*13,319.48*
B Unsecured – at amortised cost	**2,100.00**	-	-	**600.00**	-	-
(i) Yes Bank Ltd.						
[Floating rate with remaining maturity periods not exceedings 4 years and 5 months. The effective interest rate on these loans is 10.25% per annum. The Maturity of term loan - August - 2021.]						
(ii) Term Loan from Axis Bank - II	**16,952.00**	*16,531.53*	*15,897.53*	**-**	-	-
[The loan is repayable in 3 annual instalments commencing from the year 2018 as follows : 2018 USD 60,00,000, 2019 USD 60,00,000 and 2020 USD 1,30,00,000. Loan carries interest rate of LIBOR plus 385 bps per annum.]						
(iii) Term Loan from Axis Bank - III	**4,066.77**	*3,959.77*	-	**-**	-	-
[The loan is repayable in 3 annual instalments of USD 20,00,000 each commencing from the year 2019-20. Loan carries interest rate of 4 %.]						
(iv) Term Loan from HSBC/ Societe Generale Bank consortium	**-**	-	-	**-**	-	-
[The loan is repayable in 11 equal semi anuual instalments starting from August 2014. The loan was prepaid in financial year 2015-16.]						
(v) DCB Bank Limited Term Loan	**-**	-	-	**-**	*880.00*	-
[Repayment in 15 monthly equal installment with initial 3 months moratorium from the date of disbursement i.e 20th August 2015 along with interest rate depending upon the base rate currently 10.85%. The maturity of term loan- January 2017.]						
(vi) Bank Debts	**10,733.79**	*48.32*	*63.10*	**-**	-	-
[Multicurrency Term Facility Agreement concluded with an UK-based Bank. The Loan is repayable in 7 equal instalments, first time in December 2019, and last time in December 2022.]						
(vii) Debentures (Refer Note Below)	**2,500.00**	*2,484.15*	*4,951.81*	**2,494.01**	*2,487.79*	-
(viii) Redeemable Preference Share Capital (Liability component)	**2,395.39**	*3,135.35*	*2,850.10*	**-**	-	-
B - Total	**38,747.95**	*26,159.12*	*23,762.54*	**3,094.01**	*3,367.79*	-
Total (A+B)	**77,489.84**	*73,403.78*	*79,231.62*	**9,820.19**	*17,268.27*	*13,319.48*
` Less: Amount disclosed under "Other current financial liabilities"	**-**	-	-	**(9,820.19)**	*(17,268.27)*	*(13,319.48)*
Total Non-current borrowings	**77,489.84**	*73,403.78*	*79,231.62*	**-**	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 CONTD.....

19. Non-current Borrowings
Notes : Details of debentures issued by the Group:

Sr. No.	**Face Value per Debenture and Date of Allotment**	**As at 31st Mar., 2017**	*As at 31st Mar., 2016*	*As at 1st Apr., 2015*	Coupon	Terms of Repayment
		₹ in Lakhs	*₹ in Lakhs*	*₹ in Lakhs*		
1	1,00,00,000 13th September, 2012	**-**	-	*6,000.00*	11% payable annually	Put / call option at the end of 36 months from the date of allotment. In case the put or call option is not exercised, then the debentures will be redeemed at par as: 30% at the end of 36 months i.e. on 13th September, 2015, 30% at the end of 48 months i.e. on 13th September, 2016 and 40% at the end of 60 months i.e. on 13th September, 2017 from the date of allotment.
2	10,00,000 6th March, 2013	**-**	*4,000.00*	*4,000.00*	5% payable annually	Repayment on 27th April, 2016 alongwith redemption premium of ₹ 757.00 Lakhs.
3	10,00,000 10th September, 2015	**6,000.00**	*6,000.00*	-	9.80% payable half yearly	Put / call option at the end of 36 months from the date of allotment. In case the put or call option is not exercised, then the debentures will be redeemed at par as: 30% at the end of 36 months i.e. on 10th September, 2018, 30% at the end of 48 months i.e. on 10th September, 2019 and 40% at the end of 60 months i.e. on 10th September, 2020 from the date of allotment.
4	10,00,000 20th July, 2016	**4,000.00**	-	-	9.10% payable half yearly	Repayment on 22nd July, 2019.
5	10,00,000 20th March, 2017	**2,500.00**	-	-	10.38% payable on quarterly basis	Repayment on 20th March, 2020
6	10,00,000 20th October, 2014	**-**	*2,500.00*	*2,500.00*	10.75% payable on quarterly basis	Repayment on 20th March, 2017
7	10,00,000 20th October, 2014	**2,500.00**	*2,500.00*	*2,500.00*	10.75% payable on quarterly basis	Repayment on 20th October, 2017
		15,000.00	*15,000.00*	*15,000.00*		

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 CONTD.....

20. Other financial liabilities

20A. Non Current

₹ in Lakhs

Particulars	As at 31st Mar., 2017	*As at 31st Mar., 2016*	*As at 1st Apr., 2015*
Security deposits	**3,815.86**	*3,615.05*	*3,198.55*
Premium payable on redemption of debentures	**-**	*-*	*498.01*
Total	**3,815.86**	*3,615.05*	*3,696.56*

20B. Current

₹ in Lakhs

Particulars	As at 31st Mar., 2017	*As at 31st Mar., 2016*	*As at 1st Apr., 2015*
a) Current maturities of long-term borrowings	**9,820.19**	*16,733.93*	*13,069.04*
b) Current maturities of finance lease obligations	**-**	*534.34*	*250.44*
c) Interest accrued but not due on borrowings	**584.63**	*646.32*	*565.88*
d) Unpaid dividends *	**-**	*-*	*2.37*
e) Unpaid matured deposits and interest accrued thereon*	**-**	*-*	*2.33*
f) Others :-	**-**	*-*	*-*
- Payables on purchase of fixed assets	**21.12**	*14.95*	*18.10*
- Security deposits	**704.49**	*604.50*	*571.52*
- Payable to Shipping Principals	**-**	*47.76*	*769.19*
- Payable under forward contracts	**-**	*25.94*	*-*
- Other Accured Liabilities	**53.06**	*10.34*	*9.84*
- Payable on redemption of debentures	**-**	*739.43*	*-*
	778.67	*1,442.92*	*1,368.65*
Total	**11,183.49**	*19,357.51*	*15,258.71*

* There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

21. Provisions

21A. Non current

₹ in Lakhs

Particulars	As at 31st Mar., 2017	*As at 31st Mar., 2016*	*As at 1st Apr., 2015*
a) Employee benefits			
Compensated absences	**385.02**	*373.36*	*373.23*
Gratuity (Refer Note 43)	**241.43**	*207.94*	*145.95*
Other post retirement benefits (Refer Note 43)	**4,585.70**	*4,719.58*	*4,837.70*
	5,212.15	*5,300.88*	*5,356.88*
b) Other provisions			
For Warranty (Refer Note 42)	**323.09**	*340.67*	*327.58*
For Statutory dues (Refer Note 42)	**154.22**	*154.22*	*245.22*
Provision for restructuring and others (Refer Note 42)	**395.27**	*9.52*	*616.87*
	872.58	*504.41*	*1,189.67*
Total	**6,084.73**	*5,805.29*	*6,546.55*

21B. Current

₹ in Lakhs

Particulars	As at 31st Mar., 2017	*As at 31st Mar., 2016*	*As at 1st Apr., 2015*
a) Employee benefits			
Compensated absences	**455.53**	*504.33*	*438.82*
Gratuity (Refer Note 43)	**264.80**	*223.32*	*290.84*
Other post retirement benefits	**62.40**	*98.60*	*93.87*
	782.73	*826.25*	*823.53*
b) Other provisions			
For wealth tax [net of advance tax ₹ 79.73 Lakhs *(as at 31st March, 2016 ₹ 79.73 Lakhs; as at 1st April,2015 ₹ 53.44 Lakhs)] (Refer Note 42)*	**8.36**	*8.36*	*34.65*
For statutory dues (Refer Note 42)	**62.38**	*725.00*	*220.00*
For estimated losses on onerous contracts (Refer Note 42)	**136.00**	*200.71*	*274.00*
For Warranty (Refer Note 42)	**978.53**	*1,171.08*	*1,102.35*
Provision for dividend on cumulative preference shares issued by subsidiary companies outside the group	**-**	*158.83*	*75.01*
Provision for restructuring and others (Refer Note 42)	**1,708.20**	*504.92*	*269.21*
Provision for contingencies (Refer Note 42)	**900.00**	*-*	*-*
	3,793.47	*2,768.90*	*1,975.22*
Total	**4,576.20**	*3,595.15*	*2,798.75*

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 CONTD.....

22. Deferred tax

22A. Deferred tax assets

The following is the analysis of deferred tax assets presented in the balance sheet:

₹ in Lakhs

Particulars	As at 31st Mar., 2017	*As at 31st Mar., 2016*	*As at 1st Apr., 2015*
Deferred tax assets (Refer Note 39)	**2,498.49**	*1,442.33*	*1,868.86*
Total	**2,498.49**	*1,442.33*	*1,868.86*

22B. Deferred tax liabilities

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

₹ in Lakhs

Particulars	As at 31st Mar., 2017	*As at 31st Mar., 2016*	*As at 1st Apr., 2015*
Deferred tax liabilities (Refer Note 39)	**(363.78)**	*(311.00)*	*(2.28)*
Total	**(363.78)**	*(311.00)*	*(2.28)*

23. Other liabilities

23A. Non-current

₹ in Lakhs

Particulars	As at 31st Mar., 2017	*As at 31st Mar., 2016*	*As at 1st Apr., 2015*
Advance from customers /Income received in advance	**8,676.97**	*8,179.89*	*8,125.58*
Total	**8,676.97**	*8,179.89*	*8,125.58*

23B. Current

₹ in Lakhs

Particulars	As at 31st Mar., 2017	*As at 31st Mar., 2016*	*As at 1st Apr., 2015*
a) Advances from customers /Income received in advance	**920.39**	*3,064.04*	*1,763.81*
b) Customers' balances and advances for supplies and services to be rendered	**27,278.80**	*25,203.54*	*25,816.12*
c) Statutory remittances	**4,016.05**	*3,876.31*	*3,632.83*
d) Others			
- Others	**23.57**	*16.93*	*13.78*
- Deferred revenue	**2.07**	*1.44*	*0.09*
Total	**32,240.88**	*32,162.26*	*31,226.63*

24. Current Borrowings

₹ in Lakhs

Particulars	As at 31st Mar., 2017	*As at 31st Mar., 2016*	*As at 1st Apr., 2015*
A - Secured - at amortised cost			
a) Loans repayable on demand			
- **from banks**			
Cash credit facilities against hypothecation of all stocks including raw materials, stock-in-process, finished goods, stores and trade receivables.	**19,548.70**	*14,660.76*	*12,513.18*
b) Other loans from banks			
Buyers credit - Secured by second charge on 11 residential flats, part basement and part garages in "Volkart House", Mumbai.	**-**	*660.15*	*301.94*
A - Total (a+b)	**19,548.70**	*15,320.91*	*12,815.12*
Unsecured - at amortised cost			
a) Loans repayable on demand from banks	**4,500.00**	*3,906.31*	*32.07*
b) Loans from related parties (Refer Note 48)	**200.00**	*200.00*	-
c) Loans from other parties	**-**	*294.52*	*400.00*
d) Working Capital Loan	**-**	-	*1,112.00*
e) Commercial papers [maximum amount outstanding during the year ₹ 6,100 Lakhs *(as at 31st March, 2016: ₹ 5,000 Lakhs and as at 1st April, 2015: ₹ 7,000 Lakhs)*.	**4,920.09**	*3,579.77*	*1,477.56*
B - Total (a+b+c+d+e)	**9,620.09**	*7,980.60*	*3,021.63*
Total (A + B)	**29,168.79**	*23,301.51*	*15,836.75*

25. Trade payables

25A. Non Current

₹ in Lakhs

Particulars	As at 31st Mar., 2017	*As at 31st Mar., 2016*	*As at 1st Apr., 2015*
Trade payables			
- Others	**1,479.30**	*1,340.95*	*1,432.99*
Total	**1,479.30**	*1,340.95*	*1,432.99*

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 CONTD.....

25B. Current

₹ in Lakhs

Particulars	As at 31st Mar., 2017	*As at 31st Mar., 2016*	*As at 1st Apr., 2015*
Trade payables			
- Others	**47,027.53**	*48,731.51*	*42,018.74*
- Micro and small enterprises	**2,430.41**	*2,043.58*	*2,631.36*
Total	**49,457.94**	*50,775.09*	*44,650.10*

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

₹ in Lakhs

Particulars	As at 31st Mar., 2017	*As at 31st Mar., 2016*
Principal amount remaining unpaid to any supplier as at the end of the accounting year	**2,328.55**	*1,972.70*
Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	**4.38**	*3.73*
The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	**-**	-
The amount of interest due and payable for the year	**30.97**	*26.80*
The amount of interest accrued and remaining unpaid at the end of the accounting year	**101.85**	*70.89*
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	**70.89**	*44.08*

26. Current tax assets and liabilities

₹ in Lakhs

Particulars	As at 31st Mar., 2017	*As at 31st Mar., 2016*	*As at 1st Apr., 2015*
Current tax assets (net)			
Benefit of tax losses to be carried back to recover taxes paid in prior periods	**-**	*0.10*	*1.82*
Tax refund receivable	**3,424.06**	*3,671.96*	*3,289.51*
Advance tax (advance income tax including fringe benefit tax)	**4,307.38**	*3,621.11*	*3,347.53*
	7,731.44	*7,293.17*	*6,638.86*
Current tax liabilities (net)			
Income tax payable	**1,857.85**	*1,220.06*	*1,588.97*
	1,857.85	*1,220.06*	*1,588.97*

27. Revenue from operations

The following is an analysis of the Group's revenue for the year

₹ in Lakhs

Particulars	Year Ended 31st Mar., 2017	*Year Ended 31st Mar., 2016*
a) Income from real estate contracts	**9,420.03**	-
b) Sale of products		
i) Manufactured Goods	**24,272.31**	*28,747.03*
ii) Traded Goods	**1,94,428.54**	*2,04,113.19*
	2,18,700.85	*2,32,860.22*
c) Sale of services		
i) Charter hire income	**9,729.90**	*10,084.13*
iI) Ground rent from container freight stations	**164.15**	*574.27*
iii) Multimodal transport operations and allied services	**458.93**	*17,761.07*
iv) Maintenance Services	**51,610.08**	*48,672.31*
v) Transaction Charges	**470.41**	*493.39*
vi) Commission Income	**4,643.79**	*4,482.92*
	67,077.26	*82,068.09*
d) Other operating revenues		
i) Rent and amenity charges on leased properties	**2,036.78**	*1,726.47*
ii) Export incentives	**60.16**	*23.10*
iii) Interest on Instalments and other penal charges recovered	**4,819.73**	*6,151.58*
iv) Others	**230.98**	*272.50*
	7,147.65	*8,173.65*
Total (a+b+c+d)	**3,02,345.79**	*3,23,101.96*

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 CONTD.....

28. Other income

₹ in Lakhs

Particulars	Year Ended 31st Mar., 2017	*Year Ended 31st Mar., 2016*
a) Interest income earned on financial assets that are not designated as at fair value through profit or loss:		
Bank deposits	**119.20**	*123.06*
Inter-corporate deposit	**35.59**	*74.54*
Customers and others	**70.34**	*2.25*
Total (a)	**225.13**	*199.85*
Above all amounts are measured at amortised cost		
b) Dividend Income		
from long-term investments	**0.07**	*0.06*
from current investments	**27.62**	*73.84*
Total (b)	**27.69**	*73.90*
c) Other Non-Operating Income		
Credit balances / excess provision written back	**699.64**	*632.89*
Rent Income	**1,183.90**	*720.35*
Income Tax refund	**69.93**	*3.57*
Miscellaneous income	**2,648.09**	*1,164.65*
Total (c)	**4,601.56**	*2,521.46*
d) Other gains and losses		
Gain on disposal of property, plant and equipment	**190.63**	*224.21*
Gain on disposal of current investments	**79.79**	-
Net foreign exchange gains	**205.38**	*3,152.42*
Net gain arising on financial assets mandatorily measured at FVTPL	**4.61**	*18.12*
Total (d)	**480.41**	*3,394.75*
Total (a+b+c+d)	**5,334.79**	*6,189.96*

29. Real estate development costs

₹ in Lakhs

Particulars	Year Ended 31st Mar., 2017	*Year Ended 31st Mar., 2016*
Real estate development costs		
i) Material and Contractual Payments	**2,806.17**	*91.89*
ii) Fees for technical services / design and drawings	**701.48**	*77.03*
iii) Project Management Consultancy Fees	**831.22**	*99.28*
iv) Fees-filing with Statutory Authourities	**4,389.97**	*197.48*
v) Interest on borrowings	**12.25**	-
vi) Operation and maintenance expenses	**79.52**	*15.47*
Total	**8,820.61**	*481.15*

30. A. Cost of materials consumed

₹ in Lakhs

Particulars	Year Ended 31st Mar., 2017	*Year Ended 31st Mar., 2016*
Cost of Services	**714.55**	*1,255.33*
Opening Stock of Raw Material & Components	**6,544.87**	*5,911.30*
Purchases	**73,028.67**	*72,406.84*
	79,573.54	*78,318.14*
Less: Closing stock of raw materials and components	**7,253.73**	*6,544.87*
	72,319.81	*71,773.27*
	73,034.36	*73,028.60*

Consumption is arrived at on the basis of opening stock plus purchases less closing stock and includes the adjustments of excess and shortage as ascertained on physical count.

B. Changes in inventories of finished goods, work-in-progress and stock-in-trade.

Inventories at the end of the year:		
i) Finished goods	**1,227.59**	*1,238.62*
ii) Work-in-progress	**428.07**	*421.08*
iii) Stock-in-trade	**29,796.35**	*25,452.71*
iv) Real estate development work-in-progress	**4,804.58**	*1,524.45*
	36,256.59	*28,636.86*
Inventories at the beginning of the year:		
i) Finished goods	**1,238.62**	*1,162.81*
ii) Work-in-progress	**421.08**	*467.88*
iii) Stock-in-trade	**25,452.71**	*22,892.79*
iv) Real estate development work-in-progress	**1,524.45**	*1,043.30*
	28,636.86	*25,566.78*
Net increase	**(7,619.73)**	*(3,070.08)*

31. Employee benefits expense

₹ in Lakhs

Particulars	Year Ended 31st Mar., 2017	*Year Ended 31st Mar., 2016*
i) Salaries and Wages	**63,987.78**	*60,972.85*
ii) Contribution to provident and other funds	**2,561.55**	*2,348.21*
iii) Staff Welfare Expenses	**1,404.16**	*1,413.71*
Total	**67,953.49**	*64,734.77*

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 CONTD.....

32. Finance costs

₹ in Lakhs

Particulars	Year Ended 31st Mar., 2017	*Year Ended 31st Mar., 2016*
Interest on borrowings	**7,696.68**	*8,210.22*
Interest Expense on delayed payment of taxes	**9.37**	*33.83*
Interest Expense on Trade Payables	**-**	*0.27*
Notional Interest on Security Deposit	**0.40**	*0.36*
Other Interest Expense	**50.75**	*65.09*
Interest on Preference Share classified as borrowing	**232.44**	*208.07*
Less: Interest capitalized during the year	**(862.80)**	*(722.17)*
Total interest expense for financial liabilities not classified as at FVTPL	**7,126.84**	*7,795.67*
Exchange differences regarded as an adjustment to borrowing costs	**(25.38)**	*2,406.25*
Other borrowing costs	**345.37**	*503.75*
Total	**7,446.83**	*10,705.67*

33. Depreciation and amortisation expense

₹ in Lakhs

Particulars	Year Ended 31st Mar., 2017	*Year Ended 31st Mar., 2016*
i) Depreciation of property, plant and equipment (Note no. 5)	**5,739.73**	*6,393.45*
ii) Depreciation of investment property (Note no. 6)	**62.60**	*62.63*
iii) Amortisation of intangible assets (Note no. 8)	**1,264.49**	*1,014.43*
iv) Less : Transferred to Real estate development work-in-progress	**(1.19)**	*(1.13)*
Total	**7,065.63**	*7,469.38*

34. Other expenses

₹ in Lakhs

Particulars		Year Ended 31st Mar., 2017	*Year Ended 31st Mar., 2016*
Consumption of stores and spare parts		**1,508.31**	*1,289.49*
(Decrease)/Increase of excise duty on inventory		**(2.42)**	*28.18*
Processing charges		**3,008.63**	*3,135.61*
Power and fuel		**1,162.62**	*1,412.17*
Operating costs for shipping and logistics division			
a) Equipment and Charter hire charges		**49.16**	*1,770.90*
b) Transportation, freight, handling and other charges		**408.13**	*14,670.71*
c) Victualing Cost		**169.81**	*160.79*
d) Crew and Other Related Expenses		**160.76**	*121.24*
e) Others		**112.48**	*99.57*
Excise duty on sale of goods		**2,490.52**	*3,109.21*
Rent and hire charges		**3,526.09**	*3,770.82*
Repairs to :			
a) Buildings	399.07		*569.30*
b) Plant and machinery	603.75		*693.77*
c) Others	1,753.22		*1,642.39*
		2,756.04	*2,905.46*
Insurance		**834.90**	*913.44*
Rates and taxes (excluding taxes on income)		**1,319.06**	*2,013.80*
Brokerage, commission, discount and other selling expenses		**14,862.46**	*13,685.44*
Printing & Stationery		**528.30**	*574.49*
Communication		**2,012.81**	*1,855.66*
Advertisement		**6,137.11**	*8,002.71*
Legal and professional charges		**3,444.23**	*3,008.60*
Travelling and conveyance		**3,670.84**	*3,924.05*
Trade receivables / advances written off	152.13		*1,451.75*
Less: Provision held	13.76		*-*
		138.37	*1,451.75*
Provision for doubtful trade receivables		**2,352.11**	*1,923.28*
Provision for doubtful loans and advances		**304.30**	*2.33*
Managed assets service provider's charges		**721.78**	*733.77*
Service Charges		**18,879.59**	*17,423.64*
Provision for Contingency		**900.00**	-
Freight and forwarding charges		**5,790.90**	*5,481.57*
Vehicle Expenses & Maintenance		**1,341.26**	*1,810.02*
Information Technology Expenses		**2,909.68**	*3,340.02*
Conference Expenses		**1,312.03**	*1,320.18*
Mobilisation Charges		**2,270.67**	*2,230.85*

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 CONTD.....

₹ in Lakhs

Particulars		Year Ended 31st Mar., 2017	*Year Ended 31st Mar., 2016*
Money Transfer Business Expenses		**198.84**	*2.03*
Provision for Warranties		**423.75**	*191.67*
Net loss on Foreign currency transactions and translations		**180.21**	*93.98*
Expenditure towards Corporate Social Responsibility (CSR Activities)		**202.69**	*186.98*
Other Establishment expenses		**10,369.02**	*7,197.23*
Miscellaneous expenses		**1,564.88**	*2,134.86*
To Statutory auditors			
i) For audit	276.31		*237.68*
ii) For taxation matters	26.86		*26.43*
iii) For company law matters	-		*0.45*
iv) For other services	49.44		*43.12*
v) For reimbursement of expenses	5.88		*4.29*
		358.49	*311.97*
To cost auditors for cost audit		**4.64**	*2.60*
Total		**98,383.05**	*1,12,291.07*

Note: Included in the above:

₹ in Lakhs

Particulars	Year Ended 31st Mar., 2017	*Year Ended 31st Mar., 2016*
Direct operating expenses arising from investment property that generated rental income during the year	**184.51**	*339.16*
Direct operating expenses arising from investment property that did not generate rental income during the year	**40.50**	*31.74*
Total	**225.01**	*370.90*

35. Exceptional items

₹ in Lakhs

Particulars	Year Ended 31st Mar., 2017	*Year Ended 31st Mar., 2016*
a) Income from settlement of disputed matters (Refer Note 55)	**-**	*652.05*
b) (Loss)/ Gain on cessation of Joint Ventures	**(397.30)**	*183.78*
c) Profit on sale of logistics business (Refer Note 56)	**331.01**	-
d) Arrears of Rental Income	**-**	*1,172.05*
e) Profit on Slump sale (Refer Note 56)	**5,459.26**	-
f) Termination benefits and one time settlement with employees	**(430.30)**	-
g) Gain on cessation of Subsidiary	**3,258.07**	-
h) Court Case Settlement received	**-**	*46.98*
i) Impairment of Goodwill on Consolidation (Refer Note 58)	**-**	*(4,145.20)*
Total	**8,220.74**	*(2,090.34)*

36. Income taxes

36.1 Income tax recognised in statement of profit and loss

₹ in Lakhs

Particulars	Year ended 31st Mar., 2017	*Year ended 31st Mar., 2016*
Current tax		
In respect of the current year	**3,635.46**	*3,535.54*
In respect of prior years	**(5.69)**	*252.56*
	3,629.77	*3,788.10*
Deferred tax		
In respect of the current year	**(1,237.48)**	*196.70*
In respect of prior years	**(0.05)**	*(0.21)*
	(1,237.53)	*196.49*
Total income tax expense recognised in the current year	**2,392.24**	*3,984.59*

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

Profit before tax	**9,514.45**	*(941.89)*
Ind AS Transition Adjustments	**-**	*28.74*
Profit before tax after Ind AS Transition Adjustments	**9,514.45**	*(913.15)*
Income tax expense calculated at corporate tax rate at 34.608% (2015-2016: 33.063%)	**3,292.75**	*(301.92)*
Effect of income that is exempt from taxation	**(741.43)**	*(1,862.32)*
Effect of income that is non-taxable in determining taxable profit	**(823.67)**	-
Effect of recognition of tax effect of previously unrecognised tax losses	**(1,552.03)**	*(80.45)*
Effect of past losses for which deferred tax assets is recognised in current year	**(411.00)**	-
Effect of different tax rates in companies	**2,520.10**	*3,108.15*
Difference on account of calculation as per tonnage taxation	**9.64**	*3.05*
Effect of expenses that are not deductible in determining taxable profit	**1,074.54**	*380.51*
Effect of concessions (research and development and other allowances)	**(1,135.90)**	*(7.26)*
Adjustments in respect of current income tax of previous year	**(5.74)**	*252.35*
Effect of income tax on loss making entities	**569.36**	*995.23*
Others arising on account of Consolidation adjustments	**(404.38)**	*1,497.25*
Income tax expense recognised in consolidated statement of profit or loss	**2,392.24**	*3,984.59*

36.2 Income tax recognised in other comprehensive income

Others		
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:		
Re-measurement of defined benefit obligation	**65.26**	*24.10*
Equity instruments through other comprehensive income	**(17.04)**	*0.34*
Total	**48.22**	*24.44*
Total income tax recognised in other comprehensive income	**48.22**	*24.44*
Items that will not be reclassified to profit or loss	**48.22**	*24.44*

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 CONTD.....

37. Leases

(a) Finance lease: Group as lessee

The Group has acquired Office equipment under finance lease for three years.

(i) The gross carrying amount and the accumulated depreciation at the balance sheet date are ₹ Nil; *(as at 31st March, 2016: ₹ 64.68 Lakhs and as at 1st April, 2015 ₹ 120.38 Lakhs); and* ₹ Nil *(as at 31st March, 2016: ₹ 64.68 Lakhs and as at 1st April, 2015 ₹ 119.36 Lakhs)* respectively.

(ii) Depreciation recognised in the statement of profit and loss is ₹ Nil; *(Previous year for the year ended 31st March, 2016 is ₹ 1.02 Lakhs)*.

Interest rates underlying all obligations under finance leases are fixed at respective contract dates ranging from Nil % per annum *(as at 31st March, 2016: Nil per annum; as at 1st April, 2015: 7.68 % to 9.33 % per annum)*.

Future minimum aggregate lease payments (MLP) under finance leases together with the present value of future lease payments (PV of MLP), discounted at the interest rates implicit in the lease are as follows:

₹ in Lakhs

Period	As at 31st Mar., 2017		*As at 31st Mar., 2016*	
	MLP	**PV of MLP**	*MLP*	*PV of MLP*
Not later than one year	-	-	*534.33*	*480.82*
Later than one year but not later than five years	-	-	-	-
Later than five years	-	-	-	-
TOTAL	-	-	*534.33*	*480.82*
Less: Amounts representing finance charges	-	-	*(53.51)*	-
Present value of minimum lease payments	-	-	*480.82*	*480.82*

(b) Operating lease: Group as lessor

The Group has entered into operating lease arrangements, consisting of surplus space in buildings to others. The normal tenure of the arrangement is upto three years. The details of the premises leased are as follows:

Asset	Buildings (pro-rata, wherever applicable)		Moulds		Products	
	As at 31st Mar., 2017	*As at 31st Mar., 2016*	**As at 31st Mar., 2017**	*As at 31st Mar., 2016*	**As at 31st Mar., 2017**	*As at 31st Mar., 2016*
	₹ In Lakhs	*₹ In Lakhs*	**₹ In Lakhs**	*₹ In Lakhs*	**₹ In Lakhs**	*₹ In Lakhs*
Gross carrying amount	**3,150.32**	*3,995.68*	**35.66**	*35.66*	**2,414.02**	*2,064.62*
Less: Accumulated depreciation	**346.49**	*489.91*	**19.61**	*17.91*	**1,792.59**	*1,341.17*
Net carrying amount	**2,803.83**	*3,505.77*	**16.05**	*17.75*	**621.43**	*723.45*
Depreciation for the year	**75.59**	*111.00*	**1.70**	*1.70*	**511.13**	*735.94*

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 CONTD.....

Future minimum lease receivable under non cancellable leases is as follows:

₹ in Lakhs

Period	As at 31st Mar., 2017	*As at 31st Mar., 2016*
	₹ In Lakhs	₹ *In Lakhs*
Not later than one year	**608.07**	*1,564.70*
Later than one year but not later than five years	**355.47**	*1,473.20*
Later than five years	**-**	-
TOTAL	**963.54**	*3,037.90*

(c) The Group has taken certain office premises, a residential flat and containers on operating lease basis. Future minimum lease payments under non-cancellable operating lease are as follows:

₹ in Lakhs

Period	As at 31st Mar., 2017	*As at 31st Mar., 2016*
	₹ In Lakhs	₹ *In Lakhs*
Not later than one year	**21.18**	*12.46*
Later than one year but not later than five years	**69.00**	*3.78*
Later than five years	**-**	-
TOTAL	**90.18**	*16.24*

₹ in Lakhs

d)

Particulars	As at 31st Mar., 2017	*As at 31st Mar., 2016*
	₹ In Lakhs	₹ *In Lakhs*
Lease Payments recognized in the consolidated statement of Profit and Loss	**1,923.90**	*1,861.32*

38. Earnings per share

₹ in Lakhs

Particulars	Year Ended 31st Mar., 2017	*Year Ended 31st Mar., 2016*
	₹ per share	₹ *per share*
Basic earnings per share	**70.58**	*(37.69)*
Diluted earnings per share	**70.58**	*(37.69)*

38.1. 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.

₹ in Lakhs

Particulars	Year Ended 31st Mar., 2017	*Year Ended 31st Mar., 2016*
Profit / loss for the year attributable to owners of the Group (A) (₹ in Lakhs)	**8,987.01**	*(4,798.82)*
Weighted average number of equity shares for the purposes of basic earnings per share (Net of 1,66,398 equity shares held by a subsidiary, which have been eliminated on consolidation) (Quantity in Lakhs) (B)	**127.32**	*127.32*
Basic Earnings per share (A/B) (₹)	**70.58**	*(37.69)*

38.2.Diluted earnings per share

₹ in Lakhs

Particulars	Year Ended 31st Mar., 2017	*Year Ended 31st Mar., 2016*
Earnings used in the calculation of diluted earnings per share (A) (₹ in Lakhs)	**8,987.01**	*(4,798.82)*
Weighted average number of equity shares used in the calculation of diluted earnings per share (Net of 1,66,398 equity shares held by a subsidiary, which have been eliminated on consolidation) (Quantity in Lakhs) (B)	**127.32**	*127.32*
Diluted Earnings per share (A/B) (₹)	**70.58**	*(37.69)*

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 CONTD.....

39A. Deferred tax Assets

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

₹ in Lakhs

Particulars	As at 31st Mar., 2017	*As at 31st Mar., 2016*	*As at 1st Apr., 2015*
	2,498.49	*1,442.33*	*1,868.86*

Current Year (2016-2017)

₹ in Lakhs

	Particulars	Opening balance	Recognised in profit or loss	Others	Recognised in others comprehensive income	Utilised against tax Payable	Closing balance
Deferred tax (liabilities)/assets in relation to:							
a)	Property, plant and equipment	(1,330.20)	(24.42)	-	-	-	(1,354.62)
b)	Fair value Of ECB Loan	(56.88)	27.64	-	-	-	(29.24)
c)	Provisions	202.15	39.94	(10.52)	(17.04)	-	214.53
d)	Expenses allowed on Payment	741.53	(157.94)	-	-	-	583.59
e)	Amalgamation Expense	-	4.21	-	-	-	4.21
f)	Doubtful debts	423.43	(148.43)	-	-	-	275.00
g)	Defined benefit obligation	195.04	(147.88)	-	65.26	-	112.42
h)	Other financial liabilities - Provisions and liabilities to be allowed on payment basis (other than gratuity)	176.41	111.55	(31.58)	-	-	256.38
i)	Deduction u/s 35D	-	0.31	-	-	-	0.31
j)	VRS	25.05	89.71	-	-	-	114.76
	Total (A)	**376.53**	**(205.31)**	(42.10)	48.22	-	177.34
k)	Tax losses	2,802.53	(2,203.73)	5.81	-	-	604.61
l)	Unabsorbed depreciation	725.51	(725.51)	-	-	-	-
m)	Others (MAT Credit)	881.27	1,082.17	-	-	(246.90)	1,716.54
n)	Written down of deferred tax asset	(3,343.51)	3,343.51	-	-	-	-
	Total (B)	**1,065.80**	**1,496.44**	**5.81**	**-**	**(246.90)**	**2,321.15**
	Total (A+B)	**1,442.33**	**1,291.13**	**36.29**	**48.22**	**(246.90)**	**2,498.49**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 CONTD.....

Previous Year (2015-2016) **₹ in Lakhs**

	Particulars	*Opening balance*	*Recognised in profit or loss*	*Others*	*Recognised in others comprehensive income*	*Utilised against tax Payable*	*Closing balance*
Deferred tax (liabilities)/assets in relation to:							
a)	*Property, plant and equipment*	*(1,577.93)*	*247.73*	-	-	-	*(1,330.20)*
b)	*Fair value Of ECB Loan*	*(62.37)*	*5.49*	-	-	-	*(56.88)*
c)	*Provisions*	*97.35*	*110.49*	*(6.03)*	*0.34*	-	*202.15*
d)	*Expenses allowed on Payment*	*629.09*	*112.44*	-	-	-	*741.53*
e)	*Doubtful debts*	*212.72*	*210.71*	-	-	-	*423.43*
f)	*Defined benefit obligation*	*149.23*	*21.71*	-	*24.10*	-	*195.04*
g)	*Other financial liabilities - Provisions and liabilities to be allowed on payment basis (other than gratuity)*	*87.60*	*106.88*	*(18.07)*	-	-	*176.41*
h)	*VRS*	*39.10*	*(14.05)*	-	-	-	*25.05*
	Total (A)	*(425.21)*	*801.40*	*(24.10)*	*24.44*	-	*376.53*
i)	*Tax losses*	*3,109.86*	*(520.24)*	*212.91*	-	-	*2,802.53*
j)	*Unabsorbed depreciation*	*798.44*	*(72.93)*	-	-	-	*725.51*
k)	*Others (MAT Credit)*	*1,374.03*	*2.48*	-	-	*(495.24)*	*881.27*
l)	*Written down of deferred tax asset*	*(2,988.26)*	*(355.25)*	-	-	-	*(3,343.51)*
	Total (B)	***2,294.07***	***(945.94)***	***212.91***	***-***	***(495.24)***	***1,065.80***
	Total (A+B)	***1,868.86***	***(144.54)***	***188.81***	***24.44***	***(495.24)***	***1,442.33***

39B.Deferred tax Liabilities

₹ in Lakhs

Particulars	**As at 31st Mar., 2017**	*As at 31st Mar., 2016*	*As at 1st Apr., 2015*
Deferred tax liabilities	**(363.78)**	*(311.00)*	*(2.28)*

Current Year (2016-2017)

₹ in Lakhs

Particulars	**Opening balance**	**Opening Adjustment**	**Recognised in profit or loss**	**Forex**	**Closing balance**
Deferred tax (liabilities) in relation to:					
a) Tax losses	(311.00)	-	(53.60)	0.82	(363.78)
Total	**(311.00)**	**-**	**(53.60)**	**0.82**	**(363.78)**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 CONTD.....

Previous Year (2015-2016) **₹ in Lakhs**

	Particulars	*Opening balance*	*Opening Adjustment*	*Recognised in profit or loss*	*Forex*	*Closing balance*
	Deferred tax (liabilities) in relation to:					
a)	*Tax losses*	*(2.28)*	*(129.83)*	*(51.95)*	*(126.94)*	*(311.00)*
	Total	***(2.28)***	***(129.83)***	***(51.95)***	***(126.94)***	***(311.00)***

39C. Unrecognised deductible temporary differences, unused tax losses and unused tax credits **₹ in Lakhs**

	Particulars	**As at 31st Mar., 2017**	*As at 31st Mar., 2016*	*As at 1st Apr., 2015*
	Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following:			
a)	Deductible temporary differences (will never expire)			
	-unaborbed depreciation	**1,554.78**	*3,245.85*	*3,480.28*
b)	Deductible temporary differences (will expire)			
	-unused tax losses	**7,547.15**	*10,245.96*	*9,019.50*
	-unused tax losses (capital in nature)	**2,100.49**	*2,101.06*	*1,429.78*
	-unused tax credits	**-**	*502.02*	*502.02*
		11,202.42	*16,094.89*	*14,431.58*

40A. Contingent liabilities: **₹ in Lakhs**

		As at 31st Mar., 2017	*As at 31st Mar., 2016*	*As at 1st Apr., 2015*
(a)	Claims against the Group not acknowledged as debts			
1	Taxes in dispute:-			
	(I) Excise demand	**5,462.49**	*5,600.14*	*5,413.56*
	(ii) Sales tax	**5,457.66**	*13,157.35*	*6,438.29*
	(iii) Income-tax	**3,329.61**	*3,247.60*	*5,134.43*
	(iv) Service-tax	**2,715.36**	*1,897.52*	*1,875.12*
	(v) Entry-tax	**76.90**	*76.90*	*76.90*
	(vi) Customs duty	**101.00**	*2.00*	*2.00*
	(vii) Wealth tax	**409.86**	*409.86*	*14.95*
	(viii) Property tax	**-**	*451.61*	*451.61*
	(ix) Maharashtra Cess Act	**Not Assessed**	*Not Assessed*	*Not Assessed*
2	Labour matters in dispute	**17.07**	*17.07*	*9.00*
3	Claim of Madhya Gujarat Vij Co. Ltd. for alleged diversion of fraction of the power consumed and contested by the Group in the Court	**188.29**	*188.29*	*188.29*
4	Other legal matters	**3,139.17**	*4,385.43*	*3,093.18*
(b)	Guarantees			
	(i) Guarantees given on behalf of Shipping Principals and Surety Bonds jointly executed with third parties in favour of customs and other parties (net of provision)	**3,165.00**	*12,414.61*	*12,404.50*
	(ii) Mortgage of land	**-**	*-*	*13.00*

(c) Share in contingent liability of Joint Venture :

The Contingent Liabilities as on 31st March, 2017 is ₹ 164.82 Lakhs *(as at 31st March 2016 ₹ 159.21 Lakhs)*

(d) Civil suit amounting to ₹ 33.73 Lakhs *(as at 31st March 2016 ₹ 33.73 Lakhs)* has been filed by vendors against Aquamall Water Solutions Ltd. and matter is subjudice. In the opinion of the Management provision is not required in the books of account.

Note: In respect of items mentioned above, till the matters are finally decided, the timing of outflow of economic benefits cannot be ascertained.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 CONTD.....

40B. Contingent Assets:

There are no Contingent assets at the end of each reporting periods.

40C. Other Matters

(a) In respect of a subsidiary namely, Eureka Forbes Limited (EFL), in the year 2009, the subsidiary had entered into a five year tenure agreement with IBM India Private Limited (IBM) for outsourcing of the Information Technology infrastructure and Business transformation requirements. The desired benefits as laid down under the agreement were not being derived by EFL even after completion of three years of the arrangement with IBM. Disputes had therefore arose and the agreement had been terminated. IBM had raised a claim of ₹ 7,500.00 Lakhs on the subsidiary & the subsidiary had raised a counter claim of ₹ 26,150.00 Lakhs on IBM. The matter was referred for Arbitration, the arbitration proceedings had commenced in the financial year 2012-13. During the current financial year, an out of court settlement was reached with IBM and above claims were withdrawn by both parties and the matter has been amicably settled. EFL has settled all pending dues to IBM and closed the arbitration.

(b) A subsidiary namely, Eureka Forbes Limited (EFL) has paid managerial remuneration over and above limits / approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013 aggregating ₹ 378.23 as at 31 March, 2017. The excess remuneration is exempt in terms of Notification No. S.O. 2922(E) dt. 12/09/2016 and amended Schedule V of the Companies Act, 2013.

(c) A subsidiary namely, Forbes Facility Services Pvt. Ltd., had entered into an agreement with G B Pant hospital for providing the Sanitary House Keeping Services at their hospital. There is a dispute regarding minimum wages payable by the hospital to the Subsidiary, as a result of which an amount of ₹ 315.21 Lakhs has been with held by the hospital. This matter has been referred for arbitration. Based on legal advice received by the subsidiary, the management is of the opinion that no provision is required for the above amount.

41. Commitments for Expenses

(a) Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 859.83 Lakhs *(as at 31st March 2016: ₹ 1220.94 Lakhs;) [net of advance paid aggregating ₹ 650.98 Lakhs ; (as at 31st March 2016: ₹ 689.56 Lakhs)*]

(b) For Service performance ₹ 420.01 Lakhs *(as at 31st March 2016 ₹ 487.63 Lakhs)*

(c) For Product performance ₹ 6,320.38 Lakhs *(as at 31st March 2016 ₹ 8,057.70 Lakhs)*

(d) For commitments relating to lease arrangements, please see note 37(a) and for derivative contracts see note 44.7

42. Details of Provisions

The Group has made provisions for various contractual obligations and disputed liabilities based on its assessment of the amount it estimates to incur to meet such obligations, details of which are given below:

₹ in Lakhs

Particulars	As at 1st Apr., 2016	Additions	Utilization	Reversal (withdrawn as no longer required)	As at 31st Mar., 2017
Provision for warranty (see note below)	**1,511.75**	**1,038.21**	**(1,083.14)**	**(165.20)**	**1,301.62**
	1,429.93	*1,221.96*	*(908.62)*	*(231.52)*	*1,511.75*
Provision for estimated losses on onerous contracts (see note below)	**200.71**		**(25.00)**	**(39.71)**	**136.00**
	274.00	*39.71*	*(91.96)*	*(21.04)*	*200.71*
Provision for disputed statutory demands (see note below)	**879.22**			**(662.62)**	**216.60**
	465.22	*505.00*	*(91.00)*		*879.22*
Provision for wealth tax (see note below)	**8.36**	**-**	**-**	**-**	**8.36**
	34.65	-	*(26.29)*	-	*8.36*
Provision for contingencies (see note below)	**-**	**900.00**	-	-	**900.00**
	-	-	-	-	-
Provision for restructuring and others (see note below)	**514.44**	**1,899.20**	**(224.61)**	**(85.56)**	**2,103.47**
	886.08	*445.58*	*(762.41)*	*(54.81)*	*514.44*
Total	**3,114.48**	**3,837.41**	**(1,332.75)**	**(953.09)**	**4,666.05**
Previous Year	**3,089.88**	2,212.25	(1,880.28)	(307.37)	3,114.48

Note: The provision for warranty, onerous contracts, statutory demands, wealth tax, contingencies and restructuring and others represents the present value of the Company's best estimate of the future outflow of economic benefits that will be required. This provisions are expected to be settled in the next financial year except in case of provision for warranty where same is accrued for payment beyond 12 months.
Figures in italics relate to the previous year.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 CONTD.....

43. Employee Benefits :

Brief description of the Plans:

The Group has various schemes for long term benefits such as Provident Fund, Superannuation, Gratuity, Leave Encashment, Pension and Long Term Service Award. In case of funded schemes, the funds are recognised by the Income tax authorities and administered through trustees. The Group's defined contribution plans are Provident Fund (in case of certain employees), Superannuation, Employees State Insurance Fund and Employees' Pension Scheme (under the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952). The Group has no further obligation beyond making the contributions to such plans. The Group's defined benefit plans include Provident fund (in case of certain employees), Gratuity, Leave Encashment.

The gratuity plan is a funded plan and the Group makes contributions to recognised funds in India. The Group does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments. In respect of certain employees, Provident Fund contributions are made to a Trust administered by the Group. The contributions made to the trust are recognised as plan assets. Plan assets in the Provident fund trust are governed by local regulations, including limits on contributions in each class of investments.

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

A large portion of assets consists of government and corporate bonds, although the Group also invests in equities, cash and mutual funds. The plan asset mix is in compliance with the requirements of the regulations in case of Provident fund.

The Group's Gratuity Plan is administered by an insurer and the Investments are made in various schemes of the trust. The Group funds the plan on a periodical basis.

The eligible employees of the Group are entitled to receive post-employment benefits in respect of provident fund, in which both the employees and the Group make monthly contributions at a specified percentage of the employees' eligible salary. The contributions are made to the Government Family Pension Fund / provident fund managed by the trust set up by the Group which are charged to the statement of profit and loss as incurred.

The eligible employees of the Group are entitled to receive post-employment benefits in respect of superannuation fund in which the Group makes an annual contribution at a specified percentage of the employees' eligible salary. The contributions are made to the LIC. Superannuation is classified as defined contribution plan as the Group has no further obligations beyond making the contribution. The Company's contribution to defined contribution plan is charged to the statement of profit and loss as incurred.

Under the post-retirement scheme, eligible whole-time directors and on their demise, their spouses are entitled to medical benefits subject to certain limits and fixed monthly payment as non-compete fee. The Group accounts for these benefits payable in future based on an independent external actuarial valuation carried out at the end of the year using the Projected Unit Credit method.

These plans typically expose the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. Plan investment is a mix of investments in government securities, and other debt instruments.

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.

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

(₹ in Lakhs)

Particulars	**Year Ended**	*Year Ended*
	31st Mar., 2017	*31st Mar., 2016*
Employer's contribution to Regional Provident Fund Office	**625.68**	*585.75*
Employer's contribution to Superannuation Fund	**222.32**	*211.63*
Employer's contribution to Employees' State Insurance	**-**	-
Employer's contribution to Employees' Pension Scheme 1995 and Others fund	**710.34**	*611.10*

Included in Contribution to Provident and Other Funds (Refer Note 31)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 CONTD.....

II. Disclosures for defined benefit plans based on actuarial valuation reports as on 31st March, 2017.

A. Change in Defined Benefit Obligation

₹ In Lakhs

Particulars	Gratuity (Funded)		Gratuity (Non-Funded)		Others (Post Retirement medical and non compete fees) (non-funded)	
	Year Ended		Year Ended		Year Ended	
	31st Mar., 2017	*31st Mar., 2016*	**31st Mar., 2017**	*31st Mar., 2016*	**31st Mar., 2017**	*31st Mar., 2016*
Present Value of Defined Benefit Obligation as at beginning of the year	**2,602.12**	*2,416.56*	**183.95**	*128.48*	**376.94**	*433.40*
Interest Cost	**208.57**	*191.56*	**14.09**	*10.27*	**29.64**	*34.64*
Current Service Cost	**160.66**	*173.93*	**27.66**	*21.92*	**-**	*1.70*
Liabilities Transferred In/Acquisition	**-**	*0.25*	**-**	*-*	**-**	*-*
Benefits Paid	**(430.78)**	*(245.70)*	**(17.56)**	*(7.70)*	**(52.58)**	*(54.98)*
Actuarial (Gains)/Losses on Obligation For the Period	**132.91**	*60.27*	**28.71**	*30.98*	**-**	*-*
Remeasurement of defined benefit obligation	**43.18**	*5.25*	**-**	*-*	**8.05**	*(37.82)*
Present Value of Defined Benefit Obligation as at the end of the year	**2,716.66**	*2,602.12*	**236.85**	*183.95*	**362.05**	*376.94*

B. Changes in the Fair Value of Assets

₹ In Lakhs

Particulars	Gratuity (Funded)		Gratuity (Non-Funded)		Others (Post Retirement medical and non compete fees) (non-funded)	
	Year Ended		Year Ended		Year Ended	
	31st Mar., 2017	*31st Mar., 2016*	**31st Mar., 2017**	*31st Mar., 2016*	**31st Mar., 2017**	*31st Mar., 2016*
Fair Value of Plan Assets as at beginning of the year	**2,357.52**	*2,079.10*	-	-	-	-
Expected Return on Plan Assets	**96.53**	*66.56*	-	-	-	-
Interest income	**126.01**	*105.06*	-	-	-	-
Remeasurement gain	**1.48**	*2.57*	-	-	-	-
Contributions from employer	**307.01**	*326.52*	-	-	-	-
Assets Transferred In/Acquisition	**-**	*14.15*	-	-	-	-
Benefits Paid	**(421.26)**	*(241.36)*	-	-	-	-
Actuarial gain / (loss)	**(15.94)**	*4.92*	-	-	-	-
Fair Value of Plan Assets as at the end of the year	**2,451.35**	*2,357.52*	-	-	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 CONTD.....

C. Amount recognised in the Balance Sheet

₹ In Lakhs

Particulars	Gratuity (Funded)		Gratuity (Non-Funded)		Others (Post Retirement medical and non compete fees) (non-funded)	
	Year Ended		Year Ended		Year Ended	
	31st Mar., 2017	*31st Mar., 2016*	**31st Mar., 2017**	*31st Mar., 2016*	**31st Mar., 2017**	*31st Mar., 2016*
Present Value of Defined Benefit Obligation as at the end of the year	**2,716.66**	*2,602.12*	**236.85**	*183.96*	**362.05**	*376.94*
Fair Value of Plan Assets as at end of the year	**2,451.35**	*2,357.52*	**-**	-	**-**	-
Net Liability recognised in the Balance Sheet	**265.31**	*244.60*	**236.85**	*183.96*	**362.05**	*376.94*

D. Expenses recognised in Statement of Profit and Loss

₹ In Lakhs

Particulars	Gratuity (Funded)		Gratuity (Non-Funded)		Others (Post Retirement medical and non compete fees) (non-funded)	
	Year Ended		Year Ended		Year Ended	
	31st Mar., 2017	*31st Mar., 2016*	**31st Mar., 2017**	*31st Mar., 2016*	**31st Mar., 2017**	*31st Mar., 2016*
Current Service Cost	**160.66**	*173.93*	**27.66**	*21.92*	**-**	*1.70*
Net interest	**82.56**	*86.50*	**14.09**	*10.27*	**29.64**	*34.64*
Expected Return on Plan Assets	**(59.84)**	*(57.78)*	**-**	-	**-**	-
Others	**(2.66)**	-	**-**	-	**-**	-
Total Expenses / (Income) recognised in the Statement of Profit And Loss*	**180.72**	*202.65*	**41.75**	*32.19*	**29.64**	*36.34*

*Included in Salaries and Wages, Contribution to Provident and Other Funds, Gratuity Fund (Refer Note 31)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 CONTD.....

E. Expenses Recognized in the Other Comprehensive Income (OCI) for Current Period

₹ In Lakhs

Particulars	Gratuity (Funded)		Gratuity (Non-Funded)		Others (Post Retirement medical and non compete fees) (non-funded)	
	31st Mar., 2017	*31st Mar., 2016*	**31st Mar., 2017**	*31st Mar., 2016*	**31st Mar., 2017**	*31st Mar., 2016*
Actuarial (Gains)/Losses on Obligation For the Period - Due to changes in demographic assumptions	**2.23**	-	**4.26**	*11.06*	**-**	-
Actuarial (Gains)/Losses on Obligation For the Period - Due to changes in financial assumptions	**145.11**	*(14.53)*	**32.41**	*19.87*	**10.10**	*5.63*
Actuarial (Gains)/Losses on Obligation For the Period - Due to experience adjustment	**28.51**	*80.06*	**(7.96)**	*0.05*	**(2.05)**	*(43.45)*
Return on Plan Assets, Excluding Interest Income	**(18.10)**	*(13.71)*	**-**	-	**-**	-
Net (Income)/Expense For the Period Recognized in OCI	**157.75**	*51.82*	**28.71**	*30.98*	**8.05**	*(37.82)*

F. Actual Return on Plan Assets

₹ In Lakhs

Particulars	Gratuity (Funded)		Gratuity (Non-Funded)		Others (Post Retirement medical and non compete fees) (non-funded)	
	31st Mar., 2017	*31st Mar., 2016*	**31st Mar., 2017**	*31st Mar., 2016*	**31st Mar., 2017**	*31st Mar., 2016*
Expected Return on Plan Assets	**23.16**	*49.98*	**-**	-	**-**	-
Actuarial gain on Plan Assets	**116.96**	*65.18*	**-**	-	**-**	-
Actual Return on Plan Assets	**140.12**	*115.16*	**-**	-	**-**	-

G. Principal actuarial assumptions used:

₹ In Lakhs

Particulars	Gratuity (Funded)		Others (Post Retirement medical and non compete fees) (non-funded)	
	As at		As at	
	31st Mar., 2017	*31st Mar., 2016*	**31st Mar., 2017**	*31st Mar., 2016*
Discount Rate (per annum)	**7.22% to 7.54%**	*7.79% to 8.07%*	**7.22%**	*7.85%*
Salary escalation rate	**3.50% to 6.00%**	*3.50% to 6.00%*	**0.00%**	*0.00%*
Expected Rate of return on Plan Assets (per annum)	**7.00% to 8.00%**	*7.00% to 8.00%*	**0.00%**	*0.00%*
Mortality rates	**Indian Assured lives Mortality (2006-08)**	*Indian Assured lives Mortality (2006-08)*	**-**	-

The expected rate of return on plan assets is based on market expectations at the beginning of the year. The rate of return on long-term government bonds is taken as reference for this purpose.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 CONTD.....

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

₹ In Lakhs

Particulars	Gratuity (Funded)		Gratuity (Unfunded)		Others (Post Retirement medical and non compete fees) (Non funded)	
	As at 31st Mar., 2017	*As at 31st Mar., 2016*	**As at 31st Mar., 2017**	*As at 31st Mar., 2016*	**As at 31st Mar., 2017**	*As at 31st Mar., 2016*
Opening Net Liability	**244.61**	*337.46*	**183.95**	*128.48*	**376.94**	*433.40*
Expenses Recognized in Statement of Profit or Loss	**180.72**	*202.65*	**41.75**	*32.19*	**29.64**	*36.34*
Expenses Recognized in OCI	**157.75**	*51.82*	**28.71**	*30.98*	**8.05**	*(37.82)*
Liabilities Transferred In/Acquisition	**-**	*(13.90)*	**-**	-	**-**	-
Remeasurement gain	**(1.48)**	*(2.57)*	**-**	-	**-**	-
Net (Liability)/Asset Transfer Out	**-**	-	**-**	-	**-**	-
(Benefit Paid Directly by the Employer)	**(9.27)**	*(4.34)*	**(17.56)**	*(7.70)*	**(52.58)**	*(54.98)*
(Employer's Contribution)	**(307.01)**	*(326.52)*	**-**	-		
Net Liability/(Asset) Recognized in the Balance Sheet	**265.33**	*244.60*	**236.85**	*183.95*	**362.05**	*376.94*

I. Category of Assets

₹ In Lakhs

Particulars	**As at 31st Mar., 2017**	*As at 31st Mar., 2016*
	Gratuity (Funded)	*Gratuity (Funded)*
Government of India Assets (Central & State)	**351.49**	*356.57*
Special Deposits Scheme	**41.03**	*41.03*
Debt Instruments	**741.83**	-
Corporate Bonds	**133.25**	*725.72*
Cash And Cash Equivalents	**86.78**	*74.57*
Insurance fund	**742.15**	*811.22*
Asset-Backed Securities	**-**	*131.03*
Structured Debt	**354.82**	*217.38*
Others	**-**	-
Total	**2,451.35**	*2,357.52*

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 CONTD.....

J. Other Details

₹ In Lakhs

Particulars	As at 31st Mar., 2017	*As at 31st Mar., 2016*	As at 31st Mar., 2017	*As at 31st Mar., 2016*
	Gratuity		Others (Post Retirement medical and non compete fees)	
No of Active Members	**433**	*567*	**-**	-
Per Month Salary For Active Members	**86.27**	*105.18*	**-**	-
Average Expected Future Service (Years)	**15**	*15*	**-**	-
Projected Benefit Obligation (PBO)	**0.03**	*0.03*	**362.05**	*376.94*
Prescribed Contribution For Next Year (12 Months)	**86.27**	*105.18*	**-**	-

K. Cash Flow Projection: From the Fund

₹ In Lakhs

Projected Benefits Payable in Future Years From the Date of Reporting	Estimated for the year ended 31st Mar., 2017	Estimated for the year ended 31st Mar., 2016
	Gratuity	
1st Following Year	**100.81**	*92.01*
2nd Following Year	**82.12**	*74.10*
3rd Following Year	**65.24**	*112.99*
4th Following Year	**112.56**	*85.57*
5th Following Year	**48.80**	*119.88*
Sum of Years 6 To 10	**391.35**	*469.70*

L. Sensitivity Analysis

₹ In Lakhs

Projected Benefits Payable in Future Years From the Date of Reporting	As at 31st Mar., 2017	*As at 31st Mar., 2016*
Impact of +1% Change in Rate of Discounting	**(175.65)**	*(145.19)*
Impact of -1% Change in Rate of Discounting	**203.67**	*202.39*
Impact of +1% Change in Rate of Salary Increase	**208.07**	*207.47*
Impact of -1% Change in Rate of Salary Increase	**(182.02)**	*(151.90)*
Impact of +1% Change in Rate of Employee Turnover	**50.56**	*53.86*
Impact of -1% Change in Rate of Employee Turnover	**(57.70)**	*(61.24)*

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

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

The aforesaid disclosure have been made to the extent information available in the individual financial statements of the Company and its subsidiaries. Accordingly, the net liability in respect of gratuity and other post retirement benefits disclosed in Note 21A and Note 21B would not reconcile with the figures disclosed above.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 CONTD.....

44. Financial Instruments

44.1 Capital Management

The Group manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of net debt (borrowings as detailed in notes 19, 20B and 24 offset by cash and bank balances) and total equity of the Group.

The Group determines the amount of capital required on the basis of annual as well as long term operating plans and other strategic investment plans. The funding requirements are met through non convertible debt securities or other long-term /short-term borrowings. The Group monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Group.

₹ in Lakhs

The capital components of the Group are as given below:	**31st Mar., 2017**	*31st Mar., 2016*	*1st Apr., 2015*
Total Equity	**44,682.24**	*34,694.24*	*39,813.56*
Short Term Borrowings	**29,168.79**	*23,301.51*	*15,836.75*
Long Term Borrowings	**77,489.84**	*73,403.78*	*79,231.62*
Current Maturities of Long Term Borrowings	**9,820.19**	*17,268.27*	*13,319.48*
Total Debt	**1,16,478.82**	*1,13,973.56*	*1,08,387.85*
Cash & Cash equivalents	**19,036.09**	*13,826.18*	*13,673.78*
Bank balances other than above	**3,257.95**	*1,286.13*	*1,395.46*
Net Debt	**94,184.78**	*98,861.25*	*93,318.61*
Debt Equity ratio	**1.95**	*2.61*	*2.32*

Debt Equity Ratio = Long Term Borrowings (including current maturities) / Total Equity

44.2 Financial risk management objectives

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

44.3 Market Risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates (refer note 44.7) and interest rates (refer note 44.6). The Group enters into a variety of derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk.

44.4 Credit risk management

Based on the Group'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 180 days. Trade receivables consist of a large number of customers and the Group do not have significant credit risk exposure to any single counterparty. On going credit evaluation is performed on the financial conditions of the trade receivables.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by credit-rating agencies.

44.5 Liquidity Risk

Liquidity Risk refers to insufficiency of funds to meet the financial obligations. Liquidity Risk Management implies maintenance of sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit lines to meet obligations when due.

The Group manages liquidity risk by banking facilities and by continuously monitoring forecast and actual cash flows, and by assessing the maturity profiles of financial assets and liabilities. The below table sets out details of additional undrawn facilities that the Group has at its disposal to further reduce liquidity risk.

The Group has the following undrawn credit lines available as at the end of the reporting period.

The Group has the following undrawn credit lines available as at the end of the reporting period.

₹ in Lakhs

	31st Mar., 2017	*31st Mar., 2016*	*1st Apr., 2015*
- Expiring within one year (Bank CC Limits Sanctioned)	**8,450.00**	*8,450.00*	*7,700.00*
	8,450.00	*8,450.00*	*7,700.00*

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the earliest date on which the Company can be required to pay. The tables include principal cash flows.

₹ in Lakhs

Maturities of Financial Liabilities as at the balance sheet date	**31st Mar., 2017**		
	Upto 1 year	**1 to 5 years**	**5 years & above**
Borrowings	**38,988.98**	**77,489.84**	**-**
Trade Payables	**49,457.94**	**1,479.30**	**-**
Other Financial Liabilities	**1,363.30**	**3,815.86**	**-**
	89,810.22	**82,785.00**	**-**

₹ in Lakhs

Maturities of Financial Liabilities as at the balance sheet date	*31st Mar., 2016*		
	Upto 1 year	*1 to 5 years*	*5 years & above*
Borrowings	*40,569.78*	*73,403.78*	-
Trade Payables	*50,775.09*	*1,340.95*	-
Other Financial Liabilities	*2,089.24*	*3,615.05*	-
	93,434.11	*78,359.78*	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 CONTD.....

₹ in Lakhs

Maturities of Financial Liabilities as at the balance sheet date	1st Apr., 2015		
	Upto 1 year	*1 to 5 years*	*5 years & above*
Borrowings	*29,156.23*	*79,231.62*	-
Trade Payables	*44,650.10*	*1,432.99*	-
Other Financial Liabilities	*1,939.23*	*3,696.56*	-
	75,745.56	*84,361.17*	-

44.6 Interest Rate Risk & Sensitivity Analysis

The Group is exposed to interest rate risk because it borrows funds at both fixed and floating interest rates.

The sensitivity analyses below have been determined based on the exposure to interest rates for borrowings at the end of the reporting period. For floating rate borrowings the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year and the rates are reset as per the applicable reset dates. The basis risk between various benchmarks used to reset the floating rate borrowings has been considered to be insignificant.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group's

- Profit for the year ended 31st March , 2017 would decrease/increase by ₹ 836.93. This is mainly attributable to the Group's exposure to borrowings at floating interest rates.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group's

- Profit for the year ended 31st March, 2016 would decrease/increase by ₹ 862.33 Lakhs. This is mainly attributable to the Group's exposure to borrowings at floating interest rates.

44.7 Derivatives Instruments and unhedged Foreign Currency (FC) exposure

The Group is exposed to Currency Risk arising from its trade exposures and capital/Loan receipt/payments denominated, in other than the Functional Currency. The Group has a Foreign Exchange Risk Management policy within which the traesury has to perform and also lays down the checks and controls to ensure the continuing success of the treasury function. The Group has defined strategies for addressing the risks for each category of exposures (e.g. for exports , for imports, for loans, etc.). The centralised treasury function aggregates the foreign exchange exposure and takes prudent measures to hedge the exposure based on prevalent macro-economic conditions.

a) Derivatives outstanding as at the reporting date

₹ in Lakhs

Hedge of loans payable to banks	As at 31st Mar., 2017		*As at 31st Mar., 2016*		*As at 1st Apr., 2015*	
	FC in Lakhs	₹ In Lakhs	*FC in Lakhs*	*₹ In Lakhs*	*FC in Lakhs*	*₹ In Lakhs*
Forward Contract to Purchase USD						
Byuers Credit - USD	-	-	*7.53*	*498.11*	-	-
Interest on Buyers Credit - USD	-	-	*0.03*	*2.14*	-	-

b) Mark-to-market losses on the above

₹ in Lakhs

Particulars	For the Year Ended 31st Mar., 2017	*For the Year Ended 31st Mar., 2016*	*For the Year Ended 1st Apr., 2015*
Mark-to-market losses provided for	-	*(18.62)*	-

c) Particulars of unhedged foreign currency exposures as at the reporting date

₹ in Lakhs

Currencies	As at 31st Mar., 2017				*As at 31st Mar., 2016*				*As at 1st Apr., 2015*			
	Advances from customers		Trade receivables		*Advances from customers*		*Trade receivables*		*Advances from customers*		*Trade receivables*	
	FC in Lakhs	₹ In Lakhs	FC in Lakhs	₹ In Lakhs	*FC in Lakhs*	*₹ In Lakhs*	*FC in Lakhs*	*₹ In Lakhs*	*FC in Lakhs*	*₹ In Lakhs*	*FC in Lakhs*	*₹ In Lakhs*
USD	**2.01**	**130.28**	**34.21**	**2,215.53**	*0.27*	*17.86*	*26.64*	*1,762.03*	*2.09*	*130.57*	*26.98*	*1,688.68*
GBP	**0.02**	**1.62**	**1.26**	**102.36**	*0.13*	*11.90*	*0.95*	*89.93*	*0.08*	*6.97*	*0.87*	*81.25*
EUR	**0.01**	**0.83**	**1.24**	**85.92**	*0.01*	*0.87*	-	-	*0.12*	*8.10*	*0.08*	*5.42*

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 CONTD.....

Currencies	As at 31st Mar., 2017		*As at 31st Mar., 2016*		*As at 1st Apr., 2015*	
	Security Deposit		*Security Deposit*		*Security Deposit*	
	FC in Lakhs	₹ In Lakhs	*FC in Lakhs*	*₹ In Lakhs*	*FC in Lakhs*	*₹ In Lakhs*
USD	**7.04**	**456.19**	*7.04*	*465.87*	*7.04*	*440.72*

Currencies	As at 31st Mar., 2017				*As at 31st Mar., 2016*				*As at 1st Apr., 2015*			
	Advances to vendors		Trade payables		*Advances to vendors*		*Trade payables*		*Advances to vendors*		*Trade payables*	
	FC in Lakhs	₹ In Lakhs	FC in Lakhs	₹ In Lakhs	*FC in Lakhs*	*₹ In Lakhs*	*FC in Lakhs*	*₹ In Lakhs*	*FC in Lakhs*	*₹ In Lakhs*	*FC in Lakhs*	*₹ In Lakhs*
USD	**4.57**	**296.16**	**25.85**	**1,692.35**	*19.15*	*1,269.39*	*40.87*	*2,642.95*	*5.53*	*346.26*	*12.17*	*761.57*
EUR	**35.73**	**2,470.35**	**3.85**	**268.71**	*25.24*	*1,894.77*	*14.01*	*1,042.92*	*24.21*	*1,642.69*	*4.02*	*272.74*
CHF	**0.02**	**1.02**	**0.03**	**2.04**	-	-	-	-	-	-	*0.03*	*1.80*
GBP	**0.01**	**0.85**	**-**	**0.07**	-	-	-	-	-	-	-	-
CNY	**0.32**	**3.03**	**-**	**-**	-	-	-	-	-	-	-	-
AUD	**-**	**-**	**-**	**-**	-	-	*0.09*	*4.44*	-	-	-	-

Currencies	As at 31st Mar., 2017		*As at 31st Mar., 2016*		*As at 1st Apr., 2015*	
	Loan from Banks		*Loan from Banks*		*Loan from Banks*	
	FC in Lakhs	₹ In Lakhs	*FC in Lakhs*	*₹ In Lakhs*	*FC in Lakhs*	*₹ In Lakhs*
USD	**310.93**	**20,147.71**	*328.36*	*21,728.31*	*351.77*	*22,022.16*
EURO	**164.25**	**11,355.49**	*222.72*	*16,716.42*	*191.78*	*13,011.55*

Currencies	As at 31st Mar., 2017				*As at 31st Mar., 2016*				*As at 1st Apr., 2015*			
	Loans		Current Account Balances		*Loans*		*Current Account Balances*		*Loans*		*Current Account Balances*	
	FC in Lakhs	₹ In Lakhs	FC in Lakhs	₹ In Lakhs	*FC in Lakhs*	*₹ In Lakhs*	*FC in Lakhs*	*₹ In Lakhs*	*FC in Lakhs*	*₹ In Lakhs*	*FC in Lakhs*	*₹ In Lakhs*
USD	**-**	**-**	**83.28**	**5,397.03**	*5.81*	*384.63*	*40.76*	*2,697.61*	-	-	*32.74*	*2,049.41*
	-	**-**	**-**	**-**	-	-	-	-	-	-	-	-

Of the above, the Group is mainly exposed to USD,GBP,EUR,CHF & CNY. Hence the following table analyses the Group's Sensitivity to a 5% increase and a 5% decrease in the exchange rates of these currencies against INR.

31st March, 2017

Currencies	Increase/Decrease	Total Assets in FC	Total Liabilities in FC	Change in exchange rate	Impact on Profit or Loss for the year
USD	Increase by 5%	45.82	27.86	3.24	58.20
USD	Decrease by 5%	45.82	27.86	-3.24	(58.20)
GBP	Increase by 5%	1.27	0.02	4.25	5.31
GBP	Decrease by 5%	1.27	0.02	-4.25	(5.31)
EUR	Increase by 5%	36.97	3.86	3.46	114.46
EUR	Decrease by 5%	36.97	3.86	-3.46	(114.46)
CHF	Increase by 5%	0.02	0.03	2.55	(0.03)
CHF	Decrease by 5%	0.02	0.03	-2.55	0.03
CNY	Increase by 5%	0.32	-	0.47	0.15
CNY	Decrease by 5%	0.32	-	-0.47	(0.15)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 CONTD.....

31st March, 2016 **₹ in Lakhs**

Currencies	Increase/Decrease	Total Assets in FC	Total Liabilities in FC	Change in exchange rate	Impact on Profit or Loss for the year
USD	Increase by 5%	58.64	377.06	3.31	(1,053.99)
USD	Decrease by 5%	58.64	377.06	-3.31	1,053.99
GBP	Increase by 5%	0.95	0.13	4.58	3.75
GBP	Decrease by 5%	0.95	0.13	-4.58	(3.75)
EUR	Increase by 5%	25.24	14.01	3.75	42.15
EUR	Decrease by 5%	25.24	14.01	-3.75	(42.15)

44.8 Fair Value Disclosures

a) Categories of Financial Instruments: **₹ in Lakhs**

	As at 31st Mar., 2017			*As at 31st Mar., 2016*			*As at 1st Apr., 2015*		
	FVTPL	**FVTOCI**	**Amortised Cost**	*FVTPL*	*FVTOCI*	*Amortised Cost*	*FVTPL*	*FVTOCI*	*Amortised Cost*
Financial Assets									
Investments*	**16.45**	**538.67**	**3.92**	*11.84*	*433.43*	*3.92*	*13.42*	*210.42*	*3.92*
Loans			**348.42**			*1,434.87*			*639.07*
Cash & Bank Balances			**22,294.04**			*15,112.31*			*15,069.24*
Trade Receivables			**50,479.23**			*57,176.44*			*59,046.97*
Other Financial Assets			**7,223.27**			*6,055.07*			*4,968.73*
	16.45	**538.67**	**80,348.88**	*11.84*	*433.43*	*79,782.61*	*13.42*	*210.42*	*79,727.93*
Financial liabilities									
Borrowings			**1,06,658.63**			*96,705.29*			*95,068.37*
Trade Payables			**50,937.24**			*52,116.04*			*46,083.09*
Other Financial Liabilities			**14,999.35**			*22,972.56*			*18,955.27*
			1,72,595.22	-	-	*1,71,793.89*	-	-	*1,60,106.73*

* Excludes investment in equity shares of Joint ventures amounting to ₹ 6,716.78 lakhs *(as at 31st March, 2016 ₹ 6,152.99 lakhs and as at 1st April, 2015 ₹ 6,354.73 lakhs)* accounted using equity method.

b) Fair Value Hierarchy and Method of Valuation

Except as detailed in the following table, the Company considers that the carrying amounts of financial instruments recognised in the financial statements approximate their fair values.

₹ in Lakhs

Financial Assets	**As at 31st Mar., 2017**					
	Notes	**Carrying value**	**Level 1**	**Level 2**	**Level 3**	**Total**
Measured at FVTPL						
Investments						
Investments in Equity Instruments	i.	14.69	14.04	-	0.65	14.69
Investments in Mutual Funds	i.	1.76	1.76	-	-	1.76
Measured at FVTOCI						
Investments						
Investments in Equity Instruments	i.	538.67	303.56	-	235.11	538.67
Measured at Amortised Cost						
Investments						
Investments in Equity Instruments	ii.	0.03	-	-	0.03	0.03
Investments in debentures		3.89	-	-	3.89	3.89

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 CONTD.....

₹ in Lakhs

Financial Assets	As at 31st Mar., 2016					
	Notes	Carrying value	Level 1	Level 2	Level 3	Total
Measured at FVTPL						
Investments						
Investments in Equity Instruments	i.	10.36	9.71	-	0.65	10.36
Investments in Mutual Funds	i.	1.48	1.48	-	-	1.48
Measured at FVTOCI						
Investments						
Investments in Equity Instruments	i.	433.43	249.01	-	184.42	433.43
Measured at Amortised Cost						
Investments						
Investments in Equity Instruments	ii.	0.03	-	-	0.03	0.03
Investments in debentures		3.89	-	-	3.89	3.89

₹ in Lakhs

Financial Assets	1st Apr., 2015					
	Notes	Carrying value	Level 1	Level 2	Level 3	Total
Measured at FVTPL						
Investments						
Investments in Equity Instruments	i.	12.42	11.77	-	0.65	12.42
Measured at FVTOCI						
Investments						
Investments in Equity Instruments	i.	210.42	209.71	-	0.71	210.42
Measured at Amortised Cost						
Investments						
Investments in Equity Instruments	ii.	0.03	-	-	0.03	0.03
Investments in debentures		3.89	-	-	3.89	3.89

Notes:

i. Discounted cash flow method has been used to determine the fair value. The discounting factor has been computed using a mix of past trends.

ii. Refer Note 3 to Note 9C - Other investments.

c) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the period ended 31st March, 2017, 31st March, 2016 and 1st April, 2015.

₹ in Lakhs

	EquityInstruments	Debentures	Total
As at 1st April, 2015	**1.39**	**3.89**	**5.28**
Addition/ (Disposal)	183.71	-	183.71
As at 31st March, 2016	**185.10**	**3.89**	**188.99**
Profit recognised in profit or loss	50.69	-	50.69
As at 31st March, 2017	**235.79**	**3.89**	**239.68**

d) Valuation Process

The Company engages external valuation consultants to fair value financial instruments measured at FVTPL and FVTOCI. The main level 3 inputs used for unlisted equity securities, preference shares and debentures are as follows:

1) The current market borrowing rates of the Company are compared with relevant market matrices as at the reporting dates to arrive at the discounting rates

e) Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

The Group consider that the carrying amounts of financial assets and financial liabilities recognised in Note (a) above approximate their fair values.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 CONTD.....

45.Ind AS 101 reconciliations
Reconciliation of total equity as at 31st March, 2016 and 1st April, 2015

₹ in Lakhs

	Notes	*As at 31st Mar., 2016*	*As at 1st Apr., 2015*
		(End of last period presented under previous GAAP)	*(Date of transition)*
Total equity / shareholders' funds under previous GAAP (Including non controlling interest)		*44,067.09*	*50,401.94*
Adjustments:-			
Measurement of financial assets/liabilities at fair value including deemed capital contribution	k	*6,268 .00*	*6,475.99*
Capitalisation of dry-dock expenses	b	*696 .00*	-
Expected credit loss on trade receivables and loans	c	*(16,702.00)*	*(14,966.68)*
Effect of foreign currency changes on goodwill	e	*(1,028.00)*	*(3,994.55)*
Others*	d,f,g & h	*1,393.15*	*1,896.85*
Total adjustment to equity		*(9,372.85)*	*(10,588.38)*
Total equity under Ind AS (including Non-controlling interests)		*34,694 .24*	*39,813.56*

* Represents measurement of borrowings at amortised cost, impact of taxes, Net gain/(loss) on fair value of equity instruments.

Reconciliation of total comprehensive income for the year ended 31st March, 2016		
		₹ in Lakhs
Particulars		**Amount**
Profit as per previous GAAP		(3,232.73)
Adjustments:		
Expected credit loss on trade receivables and loans	c	(1,735.00)
Measurement of borrowings at amortised cost	d	(53.00)
Effect of foreign currency changes in goodwill	e	207.00
Impact of taxes	f	(280.00)
Others		294.91
Total effect of transition to Ind AS		**(1,566.09)**
Profit for the year as per Ind AS		**(4,798.82)**
Other comprehensive income for the year (net of tax)		
Actuarial gain/(loss) on employee defined benefit plan recognised in Other Comprehensive Income	g	(20.88)
Net loss on equity instruments measured at FVTOCI	h	(30.29)
Exchange difference on translation recognised in OCI	I	206.59
Others		104.63
Total comprehensive income under Ind AS		**(4,538.77)**

Note : Under previous GAAP, total comprehensive income was not reported. Therefore, the above reconciliation starts with profit under the previous GAAP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 CONTD.....

Effect of Ind AS adoption on the statement of cash flows for the year ended 31st March, 2016

₹ in Lakhs

	Notes	Year ended (Latest period presented under previous GAAP)		
		Previous GAAP	Effect of transition to Ind AS	Ind AS
Net cash flows from operating activities	l & m	7,483.39	4,488.25	11,971.64
Net cash flows from investing activities	l & m	(793.77)	(7,471.39)	(8,265.16)
Net cash flows from financing activities	l & m	(6,378.66)	2,824.58	(3,554.08)
Net increase (decrease) in cash and cash equivalents		**310.96**	**(158.56)**	**152.40**
Cash and cash equivalents at the beginning of the period		17,236.53	(3,562.75)	13,673.78
Effects of exchange rate changes on the balance of cash held in foreign currencies	l & m	(30.09)	30.09	-
Cash and bank balance on acquisition/disposal of subsidiaries/Joint venture	l & m	(8.84)	8.84	-
Cash and cash equivalents at the end of the period		**17,508.56**	**(3,682.38)**	**13,826.18**

Analysis of cash and cash equivalents as at 31st March, 2016 and as at 1st April, 2015 for the purpose of statement of cash flows under Ind AS

₹ in Lakhs

	Notes	As at 31st Mar., 2016 (End of last period presented under previous GAAP)	As at 1st Apr., 2015 (Date of transition)
Cash and cash equivalents for the purpose of statement of cash flows as per previous GAAP		**17,508.56**	**17,236.53**
Cash and cash equivalents of Joint ventures considered under previous GAAP	l & m	(3,682.38)	(3,562.75)
Cash and cash equivalents for the purpose of statement of cash flows under Ind AS		**13,826.18**	**13,673.78**

Notes:

a) Under previous GAAP, revenue from sale of products was presented net of excise duty under revenue from operations. Whereas, under Ind AS, revenue from sale of products includes excise duty. The corresponding excise duty expense is presented separately under other expenses (refer note 34A). The change does not effect total equity as at 1st April,2015 and 31st March, 2016, profit before tax or total profit for the year ended 31st March, 2016.

b) Under Previous GAAP drydock expenses were charged to profit and loss statement as and when incurred. Under Ind AS, drydock expenses incurred towards ship is required to be amortised over the period of economic benefit it gives. These cost are amortised in the profit and loss over the period as a part of deperciation expense by applying Straight Line Method. Accordingly, Ship value under Fixed asset as at 31st March, 2016 have been increased by ₹ 696.00 lakhs.

c) Under Ind AS, Group has recognised expected credit loss allowance on trade receivables and loans and advances as at 31st March, 2016 amounting to ₹ 16,702.00 lakhs *(as at 1st April, 2015 ₹ 14,966.68 lakhs)*. The resulting changes have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss statement for the year ended 31 March, 2016 and has correspondingly reduced trade receivables and loans and advances.

d) Under previous GAAP borrowings were carried at cost and transaction cost were charged to profit and loss statement as and when incurred. Under Ind AS, transaction cost incurred towards origination of borrowings is required to be deducted from the carrying amount of borrowings on initial recognition. These cost are recognised in the profit and loss statement over the tenure of the borrowing as part of interest expense by applying effective interest rate method. Accordingly, borrowings for the year ended 31st March, 2016 have been increased by ₹ 53.00 lakhs.

e) Under Ind AS, Group has revalued goodwill at closing foreign exchange rate prevailing at the end of each year (refer note 58).

f) Under previous GAAP, provision for tax was reduced by MAT credit entitlements in the year of actual utilization of MAT. In Ind AS, MAT credit entitlement have been accounted as asset on transition date on probability basis accordingly provision for the year of utilization have been shown as normal income tax rates. Deferred tax have been recognised on adjustments made on transition to Ind AS. Under Ind AS, the Group has recognised the effect of impact of taxes due to Ind AS adjustment amounting to ₹ 280.00 lakhs as at 31st March, 2016.

g) Under previous GAAP, acturial gain or losses were recognised in profit or loss statement. Under Ind AS, acturial gain and losses form part of remeasurement of the net defined benefits liability/asset which is recognised in other comprehensive income. Consequently, the tax effect of the same has also been recognised in other comprehensive income under Ind AS instead of profit or loss statement. The acturial loss for the year ended 31st March, 2016 were ₹ 44.98 Lakhs and the tax thereon ₹ 24.10 lakhs. This does not affect total equity, but there is a increase in profit before tax of ₹ 44.98 lakhs and in total profit of ₹ 20.88 lakhs for 31st March, 2016.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 CONTD.....

h) Under the previous GAAP, investments in equity instruments were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value (other than investments in Joint ventures). The resulting fair value changes of these investments (other than equity instruments designated as at FVOCI) have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss statement for the year ended 31 March, 2016.

Fair value changes with respect to investments in equity instruments designated as at FVOCI have been recognised in FVOCI - Equity investments reserve as at the date of transition and subsequently in the other comprehensive income for the year ended 31 March, 2016. Under Ind AS, net loss on equity investments measured at FVTOCI is ₹ 30.29 Lakhs.

I) Under Ind AS, Group has recognised exchange difference of transalation amounting to ₹ 206.59 Lakhs as at 31st March, 2016 in other comprehensive income.

j) Under previous GAAP, non-controlling interests were presented in the consolidated balance sheet separately from liabilities and the equity of the parent's shareholders. Under Ind AS, non-controlling interests are presented in the consolidated balance sheet within total equity, separately from the equity attributable to the owners of the parent.

k) Under previous GAAP, redeemable preference shares were classified as a part of total equity. Dividends paid on these preference shares were adjusted against retained earnings and not recognised as finance costs in profit or loss statement. However, under Ind AS, financial instruments are classified as liability or equity according to the substance of the contractual arrangement and not its legal form. These preference shares are classified into equity component and financial liability under Ind AS.

l) Under previous GAAP, an entity controls another entity when it has ownership, directly or indirectly, of more than one-half of the voting power of the other entity or control over the composition of board of directors so as to obtain economic benefit from its activities. In case of Forbes Bumi Armada Limited and Shapoorji Pallonji Bumi Armada Offshore Limited (formerly Forbes Bumi Armada Offshore Limited), since the company held more than 50% equity shares of these companies, they were considered as subsidiary under previous GAAP.

Based on control assessment carried out under Ind AS 110 *Consolidated Financial Statements* (refer Note 2.6 and 2.28), Forbes Bumi Aramda Limited and Shapoorji Pallonji Bumi Armada Offshore Limited (formerly Forbes Bumi Armada Offshore Limited) is considered to be Joint Venture of the company using the equity method of accounting under Ind AS.

m) Under previous GAAP, following entities were classified as jointly controlled entity and accounted for using the proportionate consolidation method.

i) Forbes Aquatech Limited
ii) Forbes Concept Hospitality Services Private Limited
iii) Infinite Water Solutions Private Limited
iv) Forbes G4S Solutions Private Limited
v) Aquaignis Technologies Private Limited
vi) AMC Cookware PTY Limited
vii) Edumetry Inc.

Based on an assessment under Ind AS 111 *Joint Arrangement* (refer note 2.6 and 2.28), aforesaid entities have been classified as Joint Venture and has been accounted for using equity method. For the purpose of applying the equity method, the initial investment regarded as deemed, as at the date of transition, has been measured as the aggregate of the carrying amounts if the assets and liabilities that the Group had previously proportionately consolidated.

n) Under previous GAAP, there was no requirement to present investment property separately and the same was included under Fixed Assets and carried at cost less accumulated depreciation. Under Ind AS, investment property is required to be presented separately in the balance sheet (refer Note 6).

o) Under previous GAAP, there was no concept of other comprehensive income. Under Ind AS, specified items of income, expenses, gains, or losses are required to be presented in other comprehensive income.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 CONTD.....

46. Segment reporting

The Chief Operating Decision maker of the Group examines Group's performance both from a product and from a geographic perspective. From a product perspective, the management has identified five reportable segments at group level as follows:

The Group has identified business segments as its primary segment and geographical segment as its secondary segment. Business segments are primarily "Health, Hygiene, Safety Products and its services", "Engineering", "Real estate", "IT Enabled Services and Products" and "Shipping and Logistics Services" segment. The Group caters to the needs of the domestic and export markets.

Segment revenue, segment results, segment assets and segment liabilities include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis.

Particulars	Health, Hygiene, Safety Products and its services		Engineering		Real estate		IT Enabled Services and Products		Shipping and Logistics Services		Others		Total		Elimination		Total	
	31st Mar., 2017	*31st Mar., 2016*	**31st Mar., 2017**	*31st Mar., 2016*	**31st Mar., 2017**	*31st Mar., 2016*	**31st Mar., 2017**	*31st Mar., 2016*	**31st Mar., 2017**	*31st Mar., 2016*	**31st Mar., 2017**	*31st Mar., 2016*	**31st Mar., 2017**	*31st Mar., 2016*	**31st Mar., 2017**	*31st Mar., 2016*	**31st Mar., 2017**	*31st Mar., 2016*
Segment Revenue	**2,38,456.56**	*2,40,263.92*	**17,360.84**	*18,464.61*	**10,856.25**	*2,661.25**	**25,136.17**	*34,552.40*	**10,535.97**	*28,331.83*	**-**	*-*	**3,02,345.79**	*3,24,274.01*	**-**	*-*	**3,02,345.79**	*3,24,274.01*
Inter segment revenue	**25.77**	*28.08*	**1.88**	*-*	**345.32**	*244.78*	**56.03**	*-*	**-**	*273.24*	**56.40**	*53.39*	**485.40**	*599.49*	**(485.40)**	*(599.49)*	**-**	*-*
Revenue from operations	**2,38,482.33**	*2,40,292.00*	**17,362.72**	*18,464.61*	**11,201.57**	*2,906.03*	**25,192.20**	*34,552.40*	**10,535.97**	*28,605.06*	**56.40**	*53.39*	**3,02,831.19**	*3,24,873.50*	**(485.40)**	*(599.49)*	**3,02,345.79**	*3,24,274.01*
Segment Results	**3,208.70**	*7,766.49*	**1,802.61**	*1,798.37*	**5,294.48**	*2,136.72*	**(522.20)**	*(1,814.35)*	**9,428.57**	** *75.66*	**(4,414.32)**	*(1,180.68)*	**14,797.84**	*8,782.21*	**-**	*-*	**14,797.84**	*8,782.21*
Segment Results - after exceptional items	**3,208.70**	*7,766.49*	**1,802.61**	*1,798.37*	**5,294.48**	*2,136.72*	**(522.20)**	*(1,814.35)*	**9,428.57**	*75.66*	**(4,414.32)**	*(1,180.68)*	**14,797.84**	*8,782.21*	**-**	*-*	**14,797.84**	*8,782.21*
Add: Unallocated income																	**2,163.44**	*329.52*
Less: Unallocated expenses																		
Add: Exceptional items other than related to segments (net)																	**-**	*652.05*
Profit before tax and finance costs																	**16,961.28**	*9,763.78*
Less: Finance costs																	**7,446.83**	*10,705.67*
Profit /(Loss) before tax																	**9,514.45**	*(941.89)*
Provision for taxation:																		
Current tax expense																		
Excess provision for tax relating to prior years																	**2,392.24**	*3,984.59*
Profit /(Loss) after tax																	**7,122.21**	*(4,926.48)*
Share of profit / (loss) of joint ventures																	**1,864.80**	*127.66*
Profit /(Loss) for the year																	**8,987.01**	*(4,798.82)*
Capital employed																		
Segment assets	**1,44,941.10**	*1,40,923.36*	**10,633.57**	*10,219.56*	**12,367.63**	*5,298.96*	**21,785.92**	*23,392.51*	**30,340.24**	*38,796.04*			**2,20,068.46**	*2,18,630.43*			**2,20,068.46**	*2,18,630.43*
Unallocated corporate assets																	**51,009.41**	*39,566.58*
Total assets																	**2,71,077.87**	*2,58,197.01*
Segment liabilities	**92,974.44**	*87,031.62*	**3,086.69**	*3,547.37*	**6,894.53**	*3,607.79*	**2,128.97**	*4,255.89*	**20,260.16**	*14,705.11*			**1,25,344.79**	*1,13,147.78*			**1,25,344.79**	*1,13,147.78*
Unallocated corporate liabilities																	**1,01,050.84**	*1,10,354.99*
Total liabilities																	**2,26,395.63**	*2,23,502.77*
Capital employed	**51,966.66**	*53,891.74*	**7,546.88**	*6,672.19*	**5,473.10**	*1,691.17*	**19,656.95**	*19,136.63*	**10,080.08**	*24,090.93*							**44,682.24**	*34,694.24*
Cost incurred to acquire segment assets including adjustments on account of capital work-in-progress	**5,661.43**	*5,047.66*	**1,392.60**	*306.87*	**80.50**	*519.16*	**1,995.55**	*1,095.62*	**37.74**	*846.17*			**9,167.82**	*7,815.48*			**9,167.82**	*7,815.48*
Unallocated cost incurred to acquire assets including adjustments on account of capital work-in-progress																	**24.05**	*56.47*
Total capital expenditure													**9,167.82**	*7,815.48*			**9,191.87**	*7,871.95*
Segment depreciation / amortisation	**3,754.71**	*3,738.08*	**435.27**	*348.58*	**109.03**	*102.54*	**510.79**	*476.72*	**2,202.26**	*2,757.01*							**7,012.06**	*7,422.93*
Unallocated corporate depreciation / amortisation																	**53.57**	*46.44*
Total depreciation / amortisation																	**7,065.63**	*7,469.37*
Non-cash segment expenses other than depreciation	**2,346.09**	*3,023.72*	**86.99**	*136.85*	**-**	*3.74*	**464.58**	*361.17*	**3.54**	*37.55*							**2,901.20**	*3,563.03*
Unallocated non-cash expenses other than depreciation																	**1,217.33**	*6.00*
Total non-cash expenses other than depreciation																	**4,118.52**	*3,569.03*

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 CONTD.....

(b) Geographical information	Within india		Outside india		Unallocated		Total	
	31st Mar., 2017	*31st Mar., 2016*	**31st Mar., 2017**	*31st Mar., 2016*	**31st Mar., 2017**	*31st Mar., 2016*	**31st Mar., 2017**	*31st Mar., 2016*
Revenue	2,59,333.00	*2,70,054.91*	43,012.79	*54,219.10*	-	-	3,02,345.79	*3,24,274.01*
Non Current Assets	79,137.78	*75,322.85*	34,937.14	*37,681.73*	7,731.44	*7,293.17*	1,21,806.36	*1,20,297.75*
Cost incurred to acquire segmental assets	7,334.59	*6,313.01*	1,833.21	*1,502.47*	24.07	*56.47*	9,191.87	*7,871.95*

* Includes ₹ 1,172.05 Lakhs towards arrears of rental income classified as an exceptional item.

** Includes ₹ 3258.07 Lakhs towards gain on cessation of Subsidiary.

(c) Information about major customer

No single customer contributed 10% or more to the group's revenue for the year ended 31st March, 2017 and 31st March, 2016.

47. Additional information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary/ Associates / Joint Ventures

	Particulars								
	Name of the Company	**Net Assets, i.e., total assets minus total liabilities**		**Share in profit or loss**		**Share in other comprehensive income**		**Share in total comprehensive income**	
		As % of consolidated net assets	**Amount ₹ in Lakhs**	**As % of consolidated profit or loss**	**Amount ₹ in Lakhs**	**As % of consolidated other comprehensive income**	**Amount ₹ in Lakhs**	**As % of total comprehensive income**	**Amount ₹ in Lakhs**
	Parent								
	Forbes & Company Limited	73.38	23,069.09	84.49	7,593.32	(10.45)	(104.60)	74.98	7,488.72
	Subsidiaries								
	Indian								
1	**Eureka Forbes Limited Group**								
1	Eureka Forbes Limited	302.37	95,088.20	28.53	2,564.60	(15.76)	(157.77)	24.09	2,406.83
2	Aquamall Water Solutions Limited	(100.18)	(31,503.25)	20.16	1,812.10	(24.94)	(249.62)	15.64	1,562.48
3	Forbes Facility Services Private Limited	3.31	1,041.77	2.03	182.65	(1.91)	(19.08)	1.64	163.57
4	Aquadiagnostics Water Research & Technology Center Limited	(0.65)	(205.58)	0.07	6.02	-	-	0.06	6.02
5	Forbes Enviro Solutions Limited	(8.19)	(2,576.34)	0.83	74.89	(0.16)	(1.59)	0.73	73.30
6	Euro Forbes Financial Services Limited	(0.01)	(2.26)	(0.00)	(0.18)	-	-	(0.00)	(0.18)
7	Volkart Fleming Shipping & Services Ltd	1.28	403.54	0.23	20.36	-	-	0.20	20.36
8	Forbes Campbell Finance Ltd	(10.01)	(3,148.35)	(0.01)	(1.27)	-	-	(0.01)	(1.27)
9	Forbes Campbell Services Ltd	(0.14)	(44.49)	(0.53)	(47.91)	-	-	(0.48)	(47.91)
10	Forbes Edumetry Ltd	(1.72)	(539.36)	-	-	-	-	-	-
11	Forbes Technosys Ltd	(16.58)	(5,212.79)	(13.20)	(1,186.34)	(0.02)	(0.21)	(11.88)	(1,186.55)
12	Shipping Corporation of India Forbes Ltd	35.56	11,181.30	10.34	929.12	-	-	9.30	929.12
13	Campbell Properties & Hospitality Services Limited	0.01	3.99	0.07	6.43	-	-	0.06	6.43

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 CONTD.....

	Particulars								
	Name of the Company	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
		As % of consolidated net assets	Amount ₹ in Lakhs	As % of consolidated profit or loss	Amount ₹ in Lakhs	As % of consolidated other comprehensive income	Amount ₹ in Lakhs	As % of total comprehensive income	Amount ₹ in Lakhs
	Foreign								
1	EFL Mauritius Limited	10.21	3,210.96	(0.09)	(7.74)	1.33	13.35	0.06	5.61
2	Euro Forbes Limited, Dubai	(11.58)	(3,642.04)	(0.89)	(80.17)	(15.29)	(153.02)	(2.33)	(233.20)
3	Forbes Lux FZCO	(70.65)	(22,216.47)	(26.03)	(2,339.47)	10.98	109.92	(22.32)	(2,229.55)
4	Lux International AG (LIAG) Group	(23.91)	(7,518.91)	(55.38)	(4,977.34)	17.38	173.91	(48.09)	(4,803.43)
5	Forbes Lux International AG (FLI.AG) Group	(40.18)	(12,633.72)	5.50	494.01	138.84	1,389.51	18.86	1,883.52
	Adjustment/elimination on consolidation	(0.23)	(73.05)	38.47	3457.45			34.62	3457.45
	Non-controlling Interest in all subsidiaries	(42.09)	(13,235.94)	5.41	486.49	-	-	4.87	486.49
	Total	100.00	31,446.29	100.00	8,987.01	100.00	1,000.80	100.00	9,987.81

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 CONTD.....

48. Related Party Disclosures

Name of the Related Parties and Description of Relationship:

(A) Holding Company / Ultimate Holding Company

1 Shapoorji Pallonji & Company Private Limited (Holding Company)

(B) Fellow Subsidiaries :(where there are transactions)

1 Afcons Infrastructure Limited.
2 Transtonnelstroy Afcons Joint Venture
3 Eureka Forbes Institute of Environment (Trust)
4 Forvol International Services Limited.
5 Shapoorji Pallonji Investment Advisors Private Limited.
6 Gokak Textiles Limited.
7 G.S. Enterprise
8 HPCL Shapoorji Energy Limited.
9 Joyville Shapoorji Housing Private Limited.
10 Lucrative Properties Private Limited.
11 Next Gen Publishing Limited.
12 Relationship Properties Private Limited.
13 Samalpatti Power Co. Private Limited.
14 SD Corporation Private Limited
15 Shapoorji Pallonji Infrastructure Capital Company Limited
16 Shapoorji Pallonji Finance Limited
17 Shapoorji Pallonji Oil & Gas Private Limited
18 Sterling Motors
19 Sterling and Wilson Private Limited
20 SP Fabricators Private Limited
21 SP Armada Oil Exploration Private Limited
22 Shapoorji Pallonji Rural Solutions Private Limited
23 United Motors (India) Limited
24 Shapoorji Pallonji Energy (Gujarat) Private Limited

(C) Associate Companies:(where there are transactions)

1 Neuvo Consultancy Services Private Limited.

(D) Joint Ventures :(where there are transactions)

1 Aquaignis Technologies Private Limited. (Joint Venture of Eureka Forbes Limited.)
2 Edumetry Inc.
3 Forbes Aquatech Limited (Joint venture of Eureka Forbes Limited.)
4 Forbes Bumi Armada Limited
5 Forbes Bumi Armada Offshore Limited
6 Infinite Water Solutions Private Limited. (Joint venture of Eureka Forbes Limited.)
7 Eurolife Regen Private Limited (Joint venture of Eureka Forbes Limited.)

(E) Key Management Personnel :

1 Managing Director of Forbes & Company Limited., Mr. Mahesh Tahilyani. (w.e.f 28th Apr.,2016)
2 Managing Director of Forbes & Company Limited., Mr. Ashok Barat. (Upto 27th Apr., 2016)
3 Executive Vice Chairman of Eureka Forbes Limited., Mr. S.L. Goklaney.

48. Related party disclosures
Current Year
(b) transactions/ balances with above mentioned related parties **₹ In Lakhs**

		Parties in A above	Parties in B above	Parties in C above	Parties in D above	Parties in E above	Total
	Balances						
1	Trade Payables	1,500.57	28.16	275.34	2,513.91	-	**4,317.98**
2	Advances received from customer	-	590.56	-	-	-	**590.56**
3	Interest accrued	124.80	86.31	-	-	-	**211.10**
4	Trade Receivables	243.77	437.02	-	100.94	-	**781.73**
5	Long Term Loans and Advances	-	-	-	72.53	-	**72.53**
6	Short Term Loans and Advances	-	27.70	-	111.62	-	**139.32**
7	Provision for Doubtful Loans and Advances	-	-	-	72.53	-	**72.53**
8	Provision for Doubtful Trade Receivables	-	7.81	-	-	-	**7.81**
9	Provision for Diminution in value of investment	-	-	-	-	-	**-**
10	Deposits Payable	-	248.25	-	7.51	-	**255.76**
11	Other Payables	11.19	-	-	-	-	**11.19**
12	Guarantees Given	-	27.31	-	2,899.89	-	**2,927.20**
13	Guarantees Taken	3,240.10	-	-	-	-	**3,240.10**
	Transactions						
	Purchases / Services						
14	Goods and Materials	-	-	-	10,312.27	-	**10,312.27**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 CONTD.....

₹ In Lakhs

		Parties in A above	Parties in B above	Parties in C above	Parties in D above	Parties in E above	Total
15	Receiving of Services	40.34	2.25	-	-	-	**42.59**
16	Fixed Assets	42.36	-	-	-	-	**42.36**
	Sales / Services						
17	Goods and Materials	244.41	224.88	-	308.34	-	**777.63**
18	Services Rendered	183.91	276.05	-	158.38	-	**618.34**
19	Fixed Assets / Investments	2.85	1,250.03	-	-	-	**1,252.88**
20	Sales of Flats	-	1,211.80	-	-	-	**1,211.80**
	Expenses						
21	Rent	2.29	-	-	-	-	**2.29**
22	Repairs & Other Expenses	774.23	8.06	-	59.85	-	**842.14**
23	CSR Contribution	-	197.62	-	-	-	**197.62**
24	Travelling and conveyance expenses	-	149.93	-	-	-	**149.93**
25	Management Fees	11.19	-	-	-	-	**11.19**
26	Legal and professional charges	17.73	-	210.51	-	-	**228.24**
27	Recovery of Expenses	-	200.00	-	1.97	-	**201.97**
28	Interest Paid	24.68	-	-	-	-	**24.68**
29	Real estate development expenses	2,318.61	-	150.15	-	-	**2,468.76**
30	Provision for doubtful loans and advances / Trade receivable	-	7.81	-	-	-	**7.81**
31	Remuneration	-	-	-	-	495.61	**495.61**
32	Miscellaneous expenses	-	0.20	-	0.19	-	**0.39**
	Income						
33	Rent and Other Service Charges	25.18	175.85	-	62.06	-	**263.09**
34	Dividend	-	-	-	50.00	-	**50.00**
35	Interest Received	-	69.45	-	-	-	**69.45**
36	Profit on sale / Dim in the value of Investments / Sale of Assets	2.71	750.02	-	-	-	**752.73**
37	Miscellaneous Income	2.07	11.83	-	106.07	-	**119.97**
	Other Receipts						
38	Other Reimbursements	-	24.36	114.26	72.92	-	**211.54**
	Finance						
39	Inter-corporate deposits given	-	-	-	1.00	-	**1.00**
40	Inter-corporate deposits taken	-	-	-	1.00	-	**1.00**

*** Compensation of key managerial personnel**

The remuneration of directors and other members of key managerial personnel during the year was as follows:

Particulars	
Short-term employee benefits	495.61
Total	**495.61**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 - Continued

48. Related party disclosures (contd.)

Current Year

(b) transactions/ balances with above mentioned related parties

₹ In Lakhs

		A	B	B	B	B	B	B
		Shapoorji Pallonji and Company Private Limited.	**Afcons Infrastructure Limited.**	**Eureka Forbes Institute of Environment (Trust)**	**Forvol International Services Limited.**	**Gokak Textiles Limited.**	**G.S. Enterprise**	**Lucrative Properties Private Limited.**
	Balances							
1	Trade Payables	1,500.37	-	-	-	-	-	-
2	Advances received from customer	-	-	-	-	-	-	-
3	Interest accrued	124.80	-	-	-	-	-	23.80
4	Trade Receivables	243.77	-	-	-	-	176.54	-
5	Long Term Loans and Advances	-	-	-	-	-	-	-
6	Short Term Loans and Advances	-	-	-	-	-	-	-
7	Provision for Doubtful Loans and Advances	-	-	-	-	-	-	-
8	Provision for Doubtful Trade Receivables	-	-	-	-	-	-	-
9	Provision for Diminution in value of investment	-	-	-	-	-	-	-
10	Deposits Payable	-	-	-	-	-	-	200.00
11	Other Payables	11.19	-	-	-	-	-	-
12	Guarantees Given	-	-	-	-	-	-	-
13	Guarantees Taken	3,240.10	-	-	-	-	-	-
	Transactions							
	Purchases / Services							
14	Goods and Materials	-	-	-	-	-	-	-
15	Receiving of Services	40.34	-	-	-	-	-	-
16	Fixed Assets	42.36	-	-	-	-	-	-
	Sales / Services							
17	Goods and Materials	226.99	-	-	-	-	-	-
18	Services Rendered	201.33	67.10	-	-	-	-	-
19	Fixed Assets / Investments	-	-	-	-	-	-	-
20	Sales of Flats	-	-	-	-	-	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 - Continued

48. Related party disclosures (contd.)

Current Year

(b) transactions/ balances with above mentioned related parties

₹ In Lakhs

		A	B	B	B	B	B	B
		Shapoorji Pallonji and Company Private Limited.	**Afcons Infrastructure Limited.**	**Eureka Forbes Institute of Environment (Trust)**	**Forvol International Services Limited.**	**Gokak Textiles Limited.**	**G.S. Enterprise**	**Lucrative Properties Private Limited.**
	Expenses							
21	Rent	2.29	-	-	-	-	-	-
22	Repairs & Other Expenses	774.23	-	-	-	-	-	-
23	CSR Contribution	-	-	197.62	-	-	-	-
24	Travelling and conveyance expenses	-	-	-	149.93	-	-	-
25	Management Fees	11.19	-	-	-	-	-	-
26	Legal and professional charges	-	-	-	-	-	-	-
27	Recovery of Expenses	-	-	-	-	-	200.00	-
28	Interest Paid	24.68	-	-	-	-	-	24.50
29	Real estate development expenses	2,318.61	-	-	-	-	-	-
30	Provision for doubtful loans and advances / Trade receivable	-	-	-	-	-	-	-
31	Remuneration	-	-	-	-	-	-	-
32	Miscellaneous expenses	-	-	-	-	0.20	-	-
	Income							
33	Rent and Other Service Charges	-	59.40	-	-	-	-	-
34	Dividend	-	-	-	-	-	-	-
35	Interest Received	-	-	-	-	-	-	-
36	Profit on sale / Dim in the value of Investments / Sale of Assets	-	-	-	-	-	-	-
37	Miscellaneous Income	-	-	-	-	-	-	-
	Other Receipts							
38	Other Reimbursements	-	21.74	-	-	-	-	-
39	Inter-corporate deposits given	-	-	-	-	-	-	-
	Finance							
40	Inter-corporate deposits taken	-	-	-	-	-	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 - Continued

48. Related party disclosures (contd.)

Current Year

(b) transactions/ balances with above mentioned related parties

₹ In Lakhs

		B	B	B	B	C	D	D	D
		SD Corporation Private Limited	Shapoorji Pallonji Oil & Gas Private Limited.	Sterling and Wilson Private Limited.	United Motors (India) Limited.	Neuvo Consultancy Service Limited.	Aqlualgnis Technologies Private Limited.	Edumetry Inc.	Forbes Aquatech Limited
	Balances								
1	Trade Payables	-	-	-	-	-	-	-	-
2	Advances received from customer	-	-	-	590.56	-	-	-	-
3	Interest accrued	-	62.51	-	-	-	-	-	-
4	Trade Receivables	97.62	-	-	-	-	-	-	-
5	Long Term Loans and Advances	-	-	-	-	-	-	72.53	-
6	Short Term Loans and Advances	-	-	-	-	-	-	-	-
7	Provision for Doubtful Loans and Advances	-	-	-	-	-	-	72.53	-
8	Provision for Doubtful Trade Receivables	-	-	7.81	-	-	-	-	-
9	Provision for Diminution in value of investment	-	-	-	-	-	-	-	-
10	Deposits Payable	-	48.25	-	-	-	-	-	-
11	Other Payables	-	-	-	-	-	-	-	-
12	Guarantees Given	-	-	-	-	-	-	-	-
13	Guarantees Taken	-	-	-	-	-	-	-	-
	Transactions								
	Purchases / Services								
14	Goods and Materials	-	-	-	-	-	-	-	2,973.78
15	Receiving of Services	-	-	-	-	-	-	-	-
16	Fixed Assets	-	-	-	-	-	-	-	-
	Sales / Services								
17	Goods and Materials	-	-	99.79	-	-	-	-	286.47
18	Services Rendered	132.36	-	-	-	-	-	-	-
19	Fixed Assets / Investments	-	1,250.03	-	-	-	-	-	-
20	Sales of Flats	-	-	-	1,211.80	-	-	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 - Continued

48. Related party disclosures (contd.)

Current Year

(b) transactions/ balances with above mentioned related parties

₹ In Lakhs

		B	B	B	B	C	D	D	D
		SD Corporation Private Limited	Shapoorji Pallonji Oil & Gas Private Limited.	Sterling and Wilson Private Limited.	United Motors (India) Limited.	Neuvo Consultancy Service Limited.	Aqualgnis Technologies Private Limited.	Edumetry Inc.	Forbes Aquatech Limited
	Expenses								
21	Rent	-	-	-	-	-	-	-	-
22	Repairs & Other Expenses	-	-	-	-	-	-	-	-
23	CSR Contribution	-	-	-	-	-	-	-	-
24	Travelling and conveyance expenses	-	-	-	-	-	-	-	-
25	Management Fees	-	-	-	-	-	-	-	-
26	Legal and professional charges	-	-	-	-	210.51	-	-	-
27	Recovery of Expenses	-	-	-	-	-	-	-	-
28	Interest Paid	-	-	-	-	-	-	-	-
29	Real estate development expenses	-	-	-	-	-	-	-	-
30	Provision for doubtful loans and advances / Trade receivable	-	-	7.81	-	-	-	-	-
31	Remuneration	-	-	-	-	-	-	-	-
32	Miscellaneous expenses	-	-	-	-	-	0.19	-	-
	Income								
33	Rent and Other Service Charges	-	96.50	-	-	-	28.74	-	-
34	Dividend	-	-	-	-	-	-	-	50.00
35	Interest Received	-	69.45	-	-	-	-	-	-
36	Profit on sale / Dim in the value of Investments / Sale of Assets	-	750.02	-	-	-	-	-	-
37	Miscellaneous Income	-	-	-	-	-	-	-	-
	Other Receipts								
38	Other Reimbursements	-	-	-	-	114.26	-	-	-
	Finance								
39	Inter-corporate deposits given	-	-	-	-	-	-	-	-
40	Inter-corporate deposits taken	-	-	-	-	-	-	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 - Continued

48. Related party disclosures (contd.)

Current Year

(b) transactions/ balances with above mentioned related parties

₹ In Lakhs

		D	D	D	E	E
		Forbes Bumi Armada Limited	**Forbes Bumi Armada Offshore Limited**	**Infinite Water Solutions Private Limited.**	**Managing Director, Mr. Mahesh Tahilyani**	**Executive Vice Chairman, Mr. S. L. Goklaney**
	Balances					
1	Trade Payables	-	-	2,193.29	-	
2	Advances received from customer	-	-	-	-	
3	Interest accrued	-	-	-	-	
4	Trade Receivables	-	-	-	-	
5	Long Term Loans and Advances	-	-	-	-	
6	Short Term Loans and Advances	-	-	106.79	-	
7	Provision for Doubtful Loans and Advances	-	-	-	-	
8	Provision for Doubtful Trade Receivables	-	-	-	-	
9	Provision for Diminution in value of investment	-	-	-	-	
10	Deposits Payable	-	-	-	-	
11	Other Payables	-	-	-	-	
12	Guarantees Given	-	2,899.89	-	-	
13	Guarantees Taken	-	-	-	-	
	Transactions					
	Purchases / Services					
14	Goods and Materials	-	-	6,439.12	-	
15	Receiving of Services	-	-	-	-	
16	Fixed Assets	-	-	-	-	
	Sales / Services					
17	Goods and Materials	-	-	-	-	
18	Services Rendered	-	144.90	-	-	
19	Fixed Assets / Investments	-	-	-	-	
20	Sales of Flats	-	-	-	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 - Continued

48. Related party disclosures (contd.)

Current Year

(b) transactions/ balances with above mentioned related parties

₹ In Lakhs

		D	D	D	E	E
		Forbes Bumi Armada Limited	**Forbes Bumi Armada Offshore Limited**	**Infinite Water Solutions Private Limited.**	**Managing Director, Mr. Mahesh Tahilyani**	**Executive Vice Chairman, Mr. S. L. Goklaney**
	Expenses					
21	Rent	-	-	-	-	
22	Repairs & Other Expenses	-	-	-	-	
23	CSR Contribution	-	-	-	-	
24	Travelling and conveyance expenses	-	-	-	-	
25	Management Fees	-	-	-	-	
26	Legal and professional charges	-	-	-	-	
27	Recovery of Expenses	-	-	-	-	
28	Interest Paid		-	-	-	
29	Real estate development expenses	-	-	-	-	
30	Provision for doubtful loans and advances / Trade receivable	-	-	-	-	
31	Remuneration	-	-	-	105.36	378.23
32	Miscellaneous expenses	-	-	-	-	
	Income					
33	Rent and Other Service Charges	-	-	30.36	-	
34	Dividend	-	-	-	-	
35	Interest Received	-	-	-	-	
36	Profit on sale / Dim in the value of Investments / Sale of Assets	-	-	-	-	
37	Miscellaneous Income	-	-	100.76	-	
	Other Receipts					
38	Other Reimbursements	-	-	33.64	-	
	Finance					
39	Inter-corporate deposits given	-	1.00	-	-	
40	Inter-corporate deposits taken	-	1.00	-	-	

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 CONTD.....

48. Related party disclosures (contd.)
previous year
(b) transactions/ balances with above mentioned related parties

₹ In Lakhs

		Parties in A above	*Parties in B above*	*Parties in C above*	*Parties in D above*	*Parties in E above*	*Total*
	Balances						
1	*Trade Payables*	*95.74*	*8.71*	*32.26*	*2,025.09*	-	***2,161.80***
2	*Advances received from customer*	*4.03*	-	-	-	-	***4.03***
3	*Interest accrued*	*100.11*	*1.94*	-	-	-	***102.05***
4	*Trade Receivables*	*164.75*	*463.25*	-	*82.47*	-	***710.47***
5	*Long Term Loans and Advances*	-	-	-	*72.53*	-	***72.53***
6	*Short Term Loans and Advances*	*1.55*	*12.83*	-	*27.46*	-	***41.83***
7	*Provision for Doubtful Loans and Advances*	-	-	-	*72.53*	-	***72.53***
8	*Provision for Doubtful Trade Receivables*	-	*7.81*	-	-	-	***7.81***
9	*Provision for Diminution in value of investment*	-	-	-	-	-	***-***
10	*Deposits Payable*	-	*48.25*	-	*7.51*	-	***55.76***
11	*Other Payables*	-	*200.00*	-	-	-	***200.00***
12	*Guarantees Given*	-	*27.31*	-	*2,961.44*	-	***2,988.75***
13	*Guarantees Taken*	*3,308.87*	-	-	-	-	***3,308.87***
	Transactions						
	Purchases / Services						
14	*Goods and Materials*	-	*1.87*	-	*11,740.52*	-	***11,742.39***
15	*Receiving of Services*	*0.98*	*3.67*	-	-	-	***4.65***
16	*Fixed Assets*	*401.51*	-	-	*1.09*	-	***402.60***
		-	-	-	-	-	
	Sales / Services						
17	*Goods and Materials*	*135.30*	*33.49*	-	*518.11*	-	***686.90***
18	*Services Rendered*	*154.53*	*177.99*	-	*75.44*	-	***407.96***
19	*Fixed Assets / Investments*	-	-	-	*4.15*	-	***4.15***

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 CONTD.....

48. Related party disclosures (contd.)
previous year
(b) transactions/ balances with above mentioned related parties

₹ In Lakhs

		Parties in A above	*Parties in B above*	*Parties in C above*	*Parties in D above*	*Parties in E above*	*Total*
	Expenses						
20	*Rent*	-	*9.11*	-	-	*5.49*	***14.60***
21	*Repairs & Other Expenses*	-	*2.93*	-	*86.45*	-	***89.38***
22	*CSR Contribution*	-	*117.58*	-	-	-	***117.58***
23	*Travelling and conveyance expenses*	-	*131.51*	-	-	-	***131.51***
25	*Legal and professional charges*	-	-	*99.23*	-	-	***99.23***
28	*Interest Paid*	-	*0.27*	-	*4.82*	-	***5.09***
27	*Real estate development expenses*	*65.08*	-	-	-	-	***65.08***
28	*Provision for doubtful loans and advances / Trade receivable*	-	*8.08*	-	*0.51*	-	***8.59***
29	*Remuneration*	-	-	-	-	*644.74*	***644.74***
30	*Miscellaneous expenses*	-	*0.19*	-	*6.36*	-	***6.55***
	Income						
31	*Rent and Other Service Charges*	*25.28*	*156.11*	-	*60.61*	-	***242.00***
32	*Dividend*	-	-	-	*50.00*	-	***50.00***
35	*Miscellaneous Income*	*1.79*	*0.06*	-	*106.00*	-	***107.85***
	Other Receipts						
36	*Other Reimbursements*	*0.11*	*23.78*	*46.92*	*71.16*	-	***141.97***
	Finance						
38	*Deposit Given*	*15.00*	-	-	*0.51*	-	***15.51***
39	*Repayment of Deposits Given*	*15.00*	-	-	-	-	***15.00***
41	*Redemption of Investment*	-	-	-	*50.00*	-	***50.00***

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 - Continued

48. Related party disclosures (contd.)

previous year

(b) transactions/ balances with above mentioned related parties

₹ In Lakhs

		A	*B*	*B*	*B*	*B*	*B*	*B*	*B*	*B*	*B*
		Shapoorji Pallonji and Company Private Limited.	***Afcons Infrastructure Limited.***	***Eureka Forbes Institute of Environment (Trust)***	***Forvol International Services Limited.***	***Gokak Textiles Limited.***	***Lucrative Properties Private Limited***	***Shapoorji Pallonji Investment Advisors Private Limited.***	***G. S. Enterprise***	***Shapoorji Pallonji Oil & Gas Private Limited.***	***Sterling and Wilson Private Limited.***
	Balances										
1	*Trade Payables*	-	-	-	-	-	-	-	-	-	-
2	*Advances received from customer*	*4.03*	-	-	-	-	-	-	-	-	-
3	*Interest accrued*	*100.11*	-	-	-	-	-	-	-	-	-
4	*Trade Receivables*	*164.75*	-	-	-	-	-	-	*376.54*	-	-
5	*Long Term Loans and Advances*	-	-	-	-	-	-	-	-	-	-
6	*Short Term Loans and Advances*	-	-	-	-	*12.12*	-	-	-	-	-
7	*Provision for Doubtful Loans and Advances*	-	-	-	-	-	-	-	-	-	-
8	*Provision for Doubtful Trade Receivables*	-	-	-	-	-	-	-	-	-	*7.81*
9	*Provision for Diminution in value of investment*	-	-	-	-	-	-	-	-	-	-
10	*Deposits Payable*	-	-	-	-	-	-	-	-	*48.25*	-
11	*Other Payables*	-	-	-	-	-	*200.00*	-	-	-	-
12	*Guarantees Given*	-	-	-	-	-	-	-	-	-	-
13	*Guarantees Taken*	*3,308.87*	-	-	-	-	-	-	-	-	-
	Transactions										
	Purchases / Services										
14	*Goods and Materials*	-	-	-	-	-	-	-		-	-
15	*Receiving of Services*	*0.98*	-	-	-	*3.41*	-	-		-	-
16	*Fixed Assets*	*401.51*	-	-	-	-	-	-		-	-
	Sales / Services										
17	*Goods and Materials*	*135.30*	-	-	-	-	-	-		-	-
18	*Services Rendered*	*154.53*	*89.84*	-	-	-	-	-		-	-
19	*Fixed Assets / Investments*	-	-	-	-	-	-	-		-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 - Continued

48. Related party disclosures (contd.)
previous year
(b) transactions/ balances with above mentioned related parties

₹ In Lakhs

		A	*B*	*B*	*B*	*B*	*B*	*B*	*B*	*B*	*B*
		Shapoorji Pallonji and Company Private Limited.	***Afcons Infrastructure Limited.***	***Eureka Forbes Institute of Environment (Trust)***	***Forvol International Services Limited.***	***Gokak Textiles Limited.***	***Lucrative Properties Private Limited***	***Shapoorji Pallonji Investment Advisors Private Limited.***	***G. S. Enterprise***	***Shapoorji Pallonji Oil & Gas Private Limited.***	***Sterling and Wilson Private Limited.***
	Expenses										
20	*Rent*	-	-	-	9.11	-	-	-	-	-	-
21	*Repairs & Other Expenses*	-	-	-	-	-	-	-	-	-	-
22	*CSR Contribution*	-	-	117.58	-	-	-	-	-	-	-
23	*Travelling and conveyance expenses*	-	-	-	131.51	-	-	-	-	-	-
25	*Legal and professional charges*	-	-	-	-	-	-	-	-	-	-
28	*Interest Paid*	-	-	-	-	-	-	-	-	-	-
27	*Real estate development expenses*	65.08	-	-	-	-	-	-	-	-	-
28	*Provision for doubtful loans and advances / Trade receivable*	-	-	-	-	-	-	-	-	-	7.81
29	*Remuneration*	-	-	-	-	-	-	-	-	-	-
30	*Miscellaneous expenses*	-	-	-	-	-	-	-	-	-	-
	Income										
31	*Rent and Other Service Charges*	25.28	59.40	-	-	-	-	26.84	-	40.21	-
32	*Dividend*	-	-	-	-	-	-	-	-	-	-
35	*Miscellaneous Income*	-	-	-	-	-	-	-	-	-	-
	Other Receipts										
36	*Other Reimbursements*	-	21.14	-	-	-	-	-	-	-	-
	Finance										
38	*Deposit Given*	15.00	-	-	-	-	-	-	-	-	-
39	*Repayment of Deposits Given*	15.00	-	-	-	-	-	-	-	-	-
41	*Redemption of Investment*	-	-	-	-	-	-	-	-	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 - Continued

48. Related party disclosures (contd.)

previous year

(b) transactions/ balances with above mentioned related parties

₹ In Lakhs

		C	*D*	*D*	*D*	*D*		*D*	*E*	
		Neuvo Consultancy Service Limited.	***Aqlualgnis Technologi es Private Limited.***	***Edumetry Inc.***	***Forbes Aquatech Limited***	***Forbes Bumi Armada Offshore Limited***	***Eurolife Regen Private Limited.***	***Infinite Water Solutions Private Limited.***	***Managing Director, Mr. Ashok Barat***	***Executive Vice Chairman, Mr. S. L. Goklaney***
	Balances									
1	*Trade Payables*	-	-	-	*626.84*	-	-	*1,290.31*	-	-
2	*Advances received from customer*	-	-	-	-	-	-	-	-	-
3	*Interest accrued*	-	-	-	-	-	-	-	-	-
4	*Trade Receivables*	-	-	-	-	-	-	-	-	-
5	*Long Term Loans and Advances*	-	-	*72.53*	-	-	-	-	-	-
6	*Short Term Loans and Advances*	-	*23.88*	-	-	-	-	-	-	-
7	*Provision for Doubtful Loans and Advances*	-	-	*72.53*	-	-	-	-	-	-
8	*Provision for Doubtful Trade Receivables*	-	-	-	-	-	-	-	-	-
9	*Provision for Diminution in value of investment*	-	-	-	-	-	-	-	-	-
10	*Deposits Payable*	-	-	-	-	-	-	*7.51*	-	-
11	*Other Payables*	-	-	-	-	-	-	-	-	-
12	*Guarantees Given*	-	-	-	-	*2,961.44*	-	-	-	-
13	*Guarantees Taken*	-	-	-	-	-	-	-	-	-
	Transactions									
	Purchases / Services									
14	*Goods and Materials*	-	-	-	*4,715.14*	-	-	*5,864.45*	-	-
15	*Receiving of Services*	-	-	-	-	-	-	-	-	-
16	*Fixed Assets*	-	-	-	-	-	-	-	-	-
	Sales / Services									
17	*Goods and Materials*	-	-	-	*472.27*	-	-	-	-	-
18	*Services Rendered*	-	-	-	-	*67.13*	-	-	-	-
19	*Fixed Assets / Investments*	-	-	-	*4.15*	-	-	-	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 - Continued

48. Related party disclosures (contd.)
previous year
(b) transactions/ balances with above mentioned related parties

₹ In Lakhs

		C	D	D	D	D		D	E	
		Neuvo Consultancy Service Limited.	*Aqlualgnis Technologi es Private Limited.*	*Edumetry Inc.*	*Forbes Aquatech Limited*	*Forbes Bumi Armada Offshore Limited*	*Eurolife Regen Private Limited.*	*Infinite Water Solutions Private Limited.*	*Managing Director, Mr. Ashok Barat*	*Executive Vice Chairman, Mr. S. L. Goklaney*
20	*Rent*	-	-	-	-	-	-	-	-	5.49
21	*Repairs & Other Expenses*	-	-	-	86.45	-	-	-	-	-
22	*CSR Contribution*	-	-	-	-	-	-	-	-	-
23	*Travelling and conveyance expenses*	-	-	-	-	-	-	-	-	-
25	*Legal and professional charges*	99.23	-	-	-	-	-	-	-	-
28	*Interest Paid*	-	-	-	-	-	-	4.82	-	-
27	*Real estate development expenses*	-	-	-	-	-	-	-	-	-
28	*Provision for doubtful loans and advances / Trade receivable*	-	-	-	-	-	-	-	-	-
29	*Remuneration*	-	-	-	-	-	-	-	142.72	502.42
30	*Miscellaneous expenses*	-	-	-	6.04	-	-	-	-	-
	Income									
31	*Rent and Other Service Charges*	-	27.93	-	-	-	-	29.68	-	-
32	*Dividend*	-	-	-	50.00	-	-	-	-	-
35	*Miscellaneous Income*	-	-	-	-	-	-	97.85	-	-
	Other Receipts									
36	*Other Reimbursements*	46.92	14.35	-	18.17	-	-	38.64	-	-
	Finance									
38	*Deposit Given*	-	-	-	-	-	-	-	-	-
39	*Repayment of Deposits Given*	-	-	-	-	-	-	-	-	-
41	*Redemption of Investment*	-	-	-	-	-	50.00	-	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 CONTD.....

49. Details of Cash Transactions for the period from 08.11.2016 to 30.12.2016

₹ In Lakhs

	SBN'S	Other Denominations	Total
Closing cash in hand as on 08.11.2016	449.52	36.65	486.17
(+) Permitted receipts	-	923.39	923.39
(-) Permitted payments	(0.01)	(39.95)	(39.96)
(+) Amount withdrawn from Bank	-	3.00	3.00
(-) Amount deposited in Banks	(449.51)	(891.94)	(1,341.45)
Closing cash in hand as on 30.12.2016	-	31.15	31.15

50 (a) Forbes Technosys Limited (FTL), a wholly owned subsidiary, had issued 10,000,000 8% Cumulative Optionally Convertible Redeemable Preference Shares of ₹ 10 each in an earlier year outside the Group . Shares shall be redeemable at par upon the expiry of 20 Years from date of allotment. FTL shall have option to redeem the same earlier at any time after giving a written notice of 30 days. The holder of the shares have an option after 18 months from date of allotment by written notice of 30 days to call up FTL to convert the share to equity capital at par with the outstanding / existing share capital. The Preference Shares shall be converted to Equity Shares at face value.

(b) Shapoorji Pallonji Forbes Shipping Limited (SPFSL), had issued 92,700,000 Redeemable Preference Shares of ₹ 10 each to the promoters on right basis in 2009 and 2010. Since no terms for redemption have been specified for these shares, they will be redeemed at par not later than 20 years from the date of issue as per the provisions of section 55 of the Companies Act, 2013.

Date of Allotment	Number of Shares allotted	Date of redemption (Not later than)	Redemption terms
12-Aug-09	18,600,000	12-Aug-29	Redeemable at par
06-Nov-09	24,000,000	06-Nov-29	Redeemable at par
22-Mar-10	31,650,000	22-Mar-30	Redeemable at par
02-Jul-10	18,450,000	02-Jul-30	Redeemable at par
	92,700,000		

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.

51 In the last financial year 2015-16, the statutory auditors of Eureka Forbes Limited had issued a qualified opinion in respect of an overseas subsidiary, namely Forbes Lux FZCO on the recoverability of the dues from ASEAN countries which were classified under the head other financial assets under non current assets. The accounts of Eureka Forbes Group (EFL) have been prepared under IND AS for the year 2016-17. Consequently, the financial statements of all subsidiaries of EFL have been prepared under Ind AS. Under the Ind AS, all financial assets have to be fair valued and loss allowance for expected credit losses needs to be provided under Ind AS 109.While the management is reasonably sure of recovering the receivables as mentioned in the explanation given in the last financial year, Ind AS 109 requires determination of loss allowance for expected credit losses, which has been determined on the above receivables.

52 During the financial year 2016-17, the Board of Directors of Eureka Forbes Limited (EFL) and its wholly owned subsidiary Aquamall Water Solutions Limited (AWSL) have approved in principle the merger of Aquamall Water Solutions limited into Eureka Forbes Limited. Consequent to the approval, both the companies have filed the proposed scheme for merger with the respective Registrar of Companies (ROC) under Section 233 of the Companies Act 2013 on 30th March 2017. The Companies are in the process of filing the necessary documents and details as required by the ROC and progressing in the matter.

53 In respect of one of the subsidiary of Eureka Forbes Limited, Forbes Lux International AG (FLIAG) which is an investment entity, which derives its value mainly through it's investments in the operating subsidiaries Lux International AG, Baar (LIAG). As per the latest audited financials as on 31st December, 2016, accumulated losses of Lux International AG Consolidated is ₹ 7,344.97 Lakhs (Euro 10.30 Million) and the accumulated losses of FLIAG at 31st December, 2016, aggregate ₹ 3,856.55 Lakhs (CHF 5.80 Million).
Lux Group's Management has been revamped under a new CEO and has drawn out plans to expand its reach focusing on retail opportunity, rental business and overseas markets. Key support functions are integrated with the Group now and are in the process of revamping the systems and processes. The management of Lux Group is confident of breaking even in 2017-2018.
Going forward in the opinion of the management, with all the above initiatives, the situation of the European operations will improve significantly and turn positive. Moreover, the management of FLIAG have valued the business at the year end and arrived at the conclusion that no impairment is required this year, which has been also concurred by their auditors. Hence, the Management is of the view that no further impairment provision is considered necessary on the Goodwill on consolidation arising out of its investments in Lux Group.
During the fiscal year ended 31st March, 2016, the Group recorded a goodwill impairment charge of ₹ 4,145.20 lakhs which arose at the

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 CONTD.....

time of acquisition of Forbes Lux International AG in the Financial year 2013-14. The impairment was on account of the losses due to reduction in business's operating results and estimated future cash flows. The Group used an income-based valuation approach to determine the fair value of the reporting unit by estimating the present value of future cash flows after considering current economic conditions and trends, estimated future operating results and growth rates.

54 In respect of a subsidiary, Shapoorji Pallonji Forbes Shipping Limited (SPFSL), Charter hire income includes income earned from the vessels deployed under pool arrangements ₹ 9,729.90 lakhs *(31st Mar.,2016 ₹ 10,084.13 lakhs)*. The income is accounted by SPFSL on the basis of monthly earnings statements received from the pool. These earnings are net of expenses like bunker, port expenses, brokerage, commission, etc. The earnings are distributed by the pool in accordance with the pool sharing formula as defined in the pool agreement and on the basis of vessel's rating as defined in the pool formula.

55 In respect of loans given to Coromandel Garments Limited, The Group had made full provision amounting to ₹ 364.99 lakhs in an earlier year and had also stopped accruing interest thereon due to uncertainty as to recoverability of loans and interest, in view of ongoing liquidation process of Coromandel Garments Limited.

Subsequent to the previous year end, on the basis of Order passed by Hon'ble High Court, Mumbai, the Company has received ₹ 1017.04 lakhs from Hon'ble Debt Recovery Tribunal, Mumbai as part satisfaction of amount due. The amount received by company is after setting aside amount for securing the claim of the workmen of company in liquidation. The company's status as a secured creditor is not disputed by the official liquidator.

Considering the above, management is of the view that possibility of amount becoming refundable upon final outcome of this matter is remote. The Group has therefore, during the previous year, reversed the provision amounting to ₹ 364.99 lakhs towards the loans and advances and accounted the balance amount of ₹ 652.05 lakhs as interest income. This has been disclosed as an exceptional item at Note no. 35 to the Consolidated Statement of Profit and Loss of the Group.

56 In January 2016, the Board of Parent Group had granted its approval for sale of the Shipping business comprising Container Freight Station (CFS) at Veshvi and Mundra and Logistics Service business on a slump sale basis. The Parent Group also executed an agreement to transfer assets dated 18th April, 2016 pertaining to its Logistics business and simultaneously completed the transaction.

The Parent company has completed the slump sale of Mundra CFS in April, 2016 and Veshvi CFS in August, 2016. Accordingly, profit for the year ended 31st March, 2017 includes profit on slump sale of Veshvi and Mundra CFS and profit on sale of Logistics business amounting to ₹ 5,459.26 Lakhs and ₹ 331.01 Lakhs respectively. The same has been disclosed as an exceptional item in the Statement of Consolidated Profit and Loss for the year ended 31st March, 2017.

57 In respect of subsidiary Eureka Forbes Limited, it has a total receivable of ₹ 24,746.35 Lakhs. This include receivable from government institutions like Indian Railways, Canteen Stores Department, Central Police Canteen and receivable from various projects for installing water plants of ₹ 5,031.94 Lakhs. Receivable from Government institutions have been excluded for determining loss allowance for expected credit losses since the management of a subsidiary Eureka Forbes Limited believes that the due dues from the government is certainly receivable. Water Projects receivable comprise of various components including retention money which is not due for collection. The other part of the receivable is governed by individual contracts and agreements. The Group has written off / provided for receivable where non-recoverability is established.

Management believes that the unimpaired amounts that are past due are still collectible in full, based on historical payment behaviour. The Statutory auditor of Eureka Forbes Limited Group have expressed a qualified opinion in respect of the above matter in their report on the consolidated Ind AS financial statements.

58 Goodwill on consolidation

Goodwill arising on consolidation is attributed to the acquisition of Lux International AG, which is the cash generating unit (CGU) for this goodwill, being the difference between the consideration paid and the net asset value of the acquired company. Goodwill pertaining to the CGU is as follows - ₹ in Lakhs

	As at 31st Mar., 2017	*As at 31st Mar., 2016*	*As at 1st Apr., 2015*
Goodwill on consolidation	**43,935.01**	*44,436.76*	*45,615.86*

The operations of the CGU is spread across Europe and parts of Latin America. The carrying amount of the goodwill has been tested for impairment based on the business projections of each geography where the operations are based and cash flows arising out of the projections covering a 5 year period. The Company believes this to be the most appropriate timescale for reviewing and considering annual performance before discounting the cashflows and arriving at the terminal value.

The movement in the goodwill is as follows - ₹ in Lakhs

Balance as on 1st April, 2015	**45,615.86**
Effect of Foreign Exchange Differences	2,966.10
Less : Impairment	(4,145.20)
Balance as on 31st March 2016	**44,436.76**
Effect of Foreign Exchange Differences	(501.75)
Less : Impairment	-
Balance as on 31st March 2017	**43,935.01**

Goodwill in respect of this CGU was not impaired as at 31st March 2017 based on the results of impairment testing done.

Key Assumptions used in the calculation of impairment testing are as follows -

	As at 31st Mar., 2017	*As at 31st Mar., 2016*
Average net sales growth rate for the 5 year period - Core business	**7%**	*6%*
Average net sales growth rate for the 5 year period - New business	**15%**	*36%*
Discount rate Average of all geographies	**14%**	*14%*

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 CONTD.....

Discount Rates - Management estimates discount rates that reflect the current market assessments of the risk specific to the geography of the CGU taking into consideration the time value of money and risks. The discount rates are derived from the weighted average cost of capital (WACC).

\ Growth rates - Management determines the growth rate based on the past performance of the CGU in the respective geography and its expectations on the market development.

59 Details of costs and revenue in respect of Project in progress:

Methods used to determine the project revenue : Percentage Completion Method

Methods used to determine the stage of completion : The proportion that Project costs incurred for work performed upto the balance sheet date bear to the estimated total project costs.

₹ in Lakhs

	2016-17	*2015-16*
Project revenue recognised during the year	**9,420.03**	-
Aggregate of Project cost incurred upto the reporting date	**5,540.48**	*1,524.45*
Profit recognised upto reporting date	**3,722.86**	-
Advance received for porjects in progress as at the reporting date (net of revenue recognised)	**143.52**	*1,984.84*
Amount of work in progress and the value of inventories as at the reporting date	**4,804.58**	*1,524.46*
Unbilled revenue	**3,095.57**	-
(Unbilled revenue represents future installment receivable from customers based on revenue rocognised till balance sheet date)		

60 There was a fire accident in one of the subsidiary's warehouse at Hyderabad on the 13th April, 2016 and the entire inventory stored in the warehouse was destroyed completely. A report is filed with the Fire brigade and the Police at Hyderabad and the insurance company has admitted the claim for ₹ 2,005.23 lakhs.

61 Secured Loans and advances include interest free loans, relating to which full provision exists in books of accounts, aggregating ₹ 4,391.78 Lakhs as at 31st March, 2017 *(as at 31st March, 2016 ₹ 4,391.78 Lakhs)* granted to The Svadeshi Mills Company Limited. The Company, being a secured creditor, with adjudicated dues by the Official Liquidator, expects to receive the dues when the matter is ultimately disposed off.

62 The Board of Directors of the Group has recommended a dividend of ₹ 2.50 (25%) per equity shares for the year ended 31st March 2017. There is no other material subsequent event occurred after balance sheet date.

63 **Approval of financial statements**

The financial statements were approved by the Board of Directors of the Group at their respective meetings held on 24th May, 2017 which concluded on 25th May, 2017.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 CONTD.....

64. The aggregate amount of Assets, Liabilities, Income and Expenses related to the Group's interests in the Joint Ventures as at 31st March, 2017

Sl. No	Name of the Company	Country of Incorporation	Year / Period Ended on	% Holding	Group's Share			
					Assets	Liabilities	Income	Expenses
					₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
1	Forbes Concept Hospitality Services Pvt Ltd.	India	31st March, 2017	50%	**7.03**	**0.63**	**0.44**	**0.13**
			31st March, 2016	50%	*(6.59)*	*(0.50)*	*(0.07)*	*(0.13)*
2	Forbes Aquatech Limited	India	31st March, 2017	50%	**743.35**	**129.61**	**1,467.28**	**1,276.91**
			31st March, 2016	50%	*(725.31)*	*197.04*	*(2,332.58)*	*(2,120.14)*
3	Infinite Water Solutions Pvt Limited	India	31st March, 2017	50%	**2,001.76**	**369.30**	**3,255.39**	**2,714.76**
			31st March, 2016	50%	*(1,492.78)*	*(263.29)*	*(2,945.04)*	*(2,537.89)*
4	Forbes G4S Solutions Pvt Limited	India	31st March, 2017	50%	**-**	**2.46**	**-**	**0.09**
			31st March, 2016	50%	-	*(2.37)*	*(0.01)*	*(0.10)*
5	Aquaignis Technologies Pvt Limited	India	31st March, 2017	50%	**258.92**	**73.66**	**445.13**	**450.33**
			31st March, 2016	50%	*(280.47)*	*(89.93)*	*(575.49)*	*(564.94)*
6	AMC Cookware PTY Limited	South Africa	31st December, 2016	50%	**5,823.36**	**2,023.59**	**3,203.60**	**2,285.52**
			31st December, 2015	50%	*(4,301.83)*	*(1,841.89)*	*(4,697.89)*	*(4,687.15)*
7	Forbes Bumi Armada Limited	India	31st March, 2017	51%	**1,011.16**	**530.75**	**2,778.71**	**2,700.79**
			31st March, 2016	51%	*(895.08)*	*(465.53)*	*(2,797.39)*	*(2,731.44)*
8	Shapoorji Pallonji Bumi Armada Offshore Limited (formely Forbes Bumi Armada Offshore Limited) (upto 12th October 2016)	India	31st March 2017	-	**-**	**-**	**-**	**-**
			31st March, 2016	50.001%	*(7,540.87)*	*(6,231.09)*	*(26,241.22)*	*(26,590.26)*

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 CONTD.....

65. Particulars of loan given / Investments made / guarantees given, as required by clause (4) of Section 186 of the Companies Act, 2013

₹ In Lakhs

	Name	During the year		Closing balance	Note No.	Period	Rate of Interest (%)	Purpose
		Given	Returned					
A	**Investments made (refer Note 9)**							
B	**Loans given**							
1	Svadeshi Mills Group Limited	-	-	**4,391.78**	(i)	N.A.	N.A.	General corporate purpose
		-	-	*4,391.78*		N.A.	N.A.	
2	Coromandal Garments Limited	-	-	**-**	(i)	N.A.	N.A.	General corporate purpose
		-	-	*364.99*		N.A.	N.A.	
3	Edumetry Inc. USA	-	-	**72.53**	(i)	N.A.	N.A.	General corporate purpose
		-	-	*72.53*		N.A.	N.A.	
4	Forbes Container Line Pte Limited	-	-	**302.47**	(i)	On Demand	12.00	General corporate purpose
		302.47	-	302.47	(i)	On Demand	12.00	General corporate purpose
C	**Guarantees given**							
1	Shapoorji Pallonji Bumi Armada Offshore Limited (formely Forbes Bumi Armada Offshore Limited) (upto 12th October 2016)	-	-	**2,899.89**	(ii)	N.A.	N.A.	General corporate purpose
		-	-	*2,961.44*		N.A.	N.A.	

Note:
(i) Provided as doubtful
(ii) Guarantee given $ 44,75,000 (Previous year $ 44,75,000) difference is on account of foreign exchange fluctuations.
(ii) Previous year figures are in italics

NIRMAL JAGAWAT
Chief Financial Officer

PANKAJ KHATTAR
Company Secretary

SHAPOOR P. MISTRY — *Chairman*
MAHESH C. TAHILYANI — *Managing Director*
KAIWAN D. KALYANIWALLA
D. SIVANANDHAN
JAI L. MAVANI
ASLESHA GOWARIKER
Directors

Mumbai, 25th May, 2017

FORBES

Forbes & Company Limited
CIN: L17110MH1919PLC000628
Registered Office: Forbes' Building, Charanjit Rai Marg, Fort, Mumbai 400 001
Phone: +91 22 6135 8900 Fax: +91 22 6135 8901 E-mail:investor.relations@forbes.co.in Website: www.forbes.co.in

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of The Companies (Management and Administration) Rules, 2014)

Name of the Member(s)	:
Registered Address	:
Email ID	:
Folio No./Client ID	:
DP ID	:

I/We, being member(s) of _____ shares of Forbes & Company Limited, hereby appoint:

1. Name : _____
   Address : _____
   E-mail ID : _____
   Signature : _____ or failing him

2. Name : _____
   Address : _____
   E-mail ID : _____
   Signature : _____ or failing him

3. Name : _____
   Address : _____
   E-mail ID : _____
   Signature : _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at 98th Annual General Meeting of the Company, to be held at Indian Merchants' Chambers, Walchand Hirachand Hall, IMC Building, 4th Floor, IMC Marg, Churchgate, Mumbai 400 020 on Thursday, August 24, 2017 at 4.00 p.m. and at any adjournment thereof in respect of such resolutions as are indicated below:

1. To consider and adopt:
   a) the Audited Financial Statements of the Company for the Financial Year ended March 31, 2017 together with the Report of the Board of Directors and the Auditors thereon; and
   b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2017.
2. To declare dividend for the Financial Year 2016-17.
3. To appoint a Director in place of Mr. Shapoor P. Mistry (DIN: 00010114), who retires by rotation and being eligible, seeks re-appointment.
4. To appoint Price Waterhouse Chartered Accountants LLP, (ICAI Firm Registration No. (012754N/N500016) as the Statutory Auditors of the Company and authorise the Board to fix their remuneration.
5. Ratification of the remuneration to be paid to Kishore Bhatia & Associates (Firm Registration No. 00294) for the Financial Year 2017-18.

Signed this_____day of_____2017

Signature of the Shareholder: _____

Signature of Proxy Holder(s): _____

Affix Revenue Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

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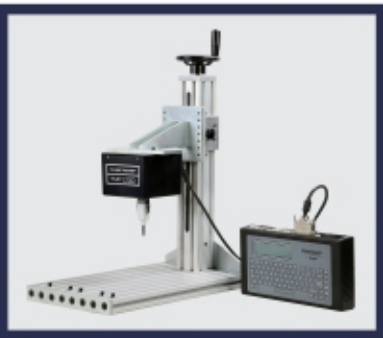

DOT PIN MARKING MACHINE

FORBES & COMPANY LIMITED

CIN : L17110MH1919PLC000628

Registered Office : Forbes' Building, Charanjit Rai Marg, Fort, Mumbai - 400 001.

Tel.: +91 22 6135 8900 • Fax : +91 22 6135 8901 • Website : www.forbes.co.in