

## NOTICE

NOTICE is hereby given that the Ninety-Sixth Annual General Meeting of the Members of **Forbes & Company Limited** will be held at Indian Merchants' Chambers, Walchand Hirachand Hall, IMC Building, 4<sup>th</sup> Floor, IMC Marg, Churchgate, Mumbai 400 020 on Tuesday, September 1, 2015 at 4.00 pm 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, 2015 together with the Reports 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, 2015 and the Auditors' Report thereon.
2. To appoint a Director in place of Mr. Jimmy J. Parakh (DIN: 00004945), who retires by rotation and being eligible, seeks re-appointment.
3. To appoint Auditors and fix their remuneration and to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"Resolved that Deloitte Haskins and Sells LLP, Chartered Accountants, (Firm Registration No. 117366W/W-100018) be and is hereby appointed Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting, at such remuneration plus service tax, out of pocket, travelling and other expenses as may be determined by the Board of Directors of the Company."

### SPECIAL BUSINESS

#### 4. Issue of Non-convertible Debentures through Private Placement

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

"Resolved that in accordance with the provisions of Section 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 (as amended from time to time) and any other applicable laws including the SEBI (Issue & Listing of Debt Securities) Regulations and other applicable laws/regulations, and subject to the receipt of such approvals as may be necessary, consent of the Members be and is hereby accorded to the Board of Directors (hereinafter referred to as "the Board" which term shall include any duly constituted Committee thereof) to raise funds through Private Placement of Unsecured or Secured, Listed or Un-listed, Non-Convertible Debentures ("NCDs") upto Rs. 100 crores, in one or more tranches, from such person(s), who may or may not be the debenture holders of the Company, including residents, non-residents, institutions, incorporated bodies, trustees, banks, foreign institutional investors, insurance companies, mutual funds, bodies corporate, companies, other entities or persons, on such terms and conditions as may be finalised by the Board.

Resolved further that for the purpose of giving effect to Private Placement as aforesaid, the Board be and is hereby authorized to determine the terms and conditions of the Issue, including the class of investors to whom the NCDs are to be allotted, the number of NCDs to be allotted in each tranche, issue price, tenor, interest rate, premium/discount to the then prevailing market price, amount of issue, creation of security and to do all such acts, deeds and things and to execute all

such documents, instruments, as may be necessary or expedient to give effect to this resolution or as may be deemed necessary in the interest of the Company."

#### 5. Ratification of remuneration of 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 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof), Kishore Bhatia & Associates (Firm Registration No. 00294), the Cost Auditor appointed by the Board of Directors of the Company, to conduct the cost audit of the Company for the financial year ending March 31, 2016 at a remuneration of Rs. 2.60 lakhs plus out of pocket expenses be and is hereby ratified and confirmed.

Resolved further that the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

#### 6. Adoption of new Articles of Association of the Company

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

"Resolved that pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (as amended from time to time), the new set of the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution of the existing Articles of Association of the Company.

Resolved further that the Board of Directors of the Company be and is hereby authorised to do all acts, deeds and things as it may in its absolute discretion deem necessary, expedient proper or desirable and to settle all questions, difficulties or doubts that may rise in this regards at any stage without requiring the Board to secure further consent or approval of the Members of the Company."

By Order of the Board of Directors

Pankaj Khattar  
Head Legal & Company Secretary

Mumbai, May 26, 2015.

Registered Office:  
Forbes' Building,  
Charanjit Rai Marg,  
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 Companies Act, 2013 ("Act") with respect to the special business set out in the Notice is annexed hereto. Additional information pursuant to Clause 49 of the Listing Agreement in respect of Director seeking re-appointment at the meeting is also annexed.

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 than 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 Thursday, August 27, 2015 to Tuesday, September 1, 2015 (both days inclusive).

4. 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.

5. 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.

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

7. Members are requested to bring their Attendance Slip alongwith their copies of the Annual Report to the Meeting.

8. 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, have been transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. No claim shall lie against the IEPF or the Company for the amounts so transferred prior to March 31, 2015, nor shall any payment be made in respect of such claim. The details of unpaid and unclaimed amounts lying with the Company are available on the website of the Company viz. [www.forbes.co.in](http://www.forbes.co.in) as also on the website of the Ministry of Corporate Affairs.

Documents referred to in Statement Pursuant to Section 102 (1) of the Companies Act, 2013 shall be available for Inspection on any working day (Monday to Friday) between 11.00 am to 1.00 pm.

9. The Notice of the AGM alongwith the Annual Report for 2014 -15 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 addresses are requested to register the same with RTA/Depositories.

10. 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.

## 11. E-Voting

1. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be

considered at the Annual General Meeting (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 August 29, 2015 (9:00 am) and ends on August 31, 2015 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of August 26, 2015, 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. 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.

VI. 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 [makarandjoshi@mmjc.in](mailto:makarandjoshi@mmjc.in) with a copy marked to [evoting@nsdl.co.in](mailto: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 letter accompanying the Notice of AGM

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

Please follow all steps from Sr. No (i) to (ix) as mentioned in A above, to cast your vote.

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

VII. 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](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.

You may also send your queries/grievances relating to e-voting at –  
 Name and Designation : Ms. Pallavi Mhatre, Asst. Manager  
 Address : Trade World, 'A' Wing, 4th & 5th Floor,  
 Kamla Mills Compound  
 Lower Parel, Mumbai 400 013  
 Email ID: [pallavid@nsdl.co.in](mailto:pallavid@nsdl.co.in)  
 Telephone: +91 22 2499 4545

VIII. 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.

- IX. 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).
- X. 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 26, 2015.
- XI. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. August 26, 2015, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

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

- 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 either remote e-voting or voting at the AGM through ballot paper.
- XIII. 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.
- XIV. The Scrutinizer shall after the conclusion of voting at the general meeting, 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 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, in respect of all the individual items / resolutions to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XV. The results shall be declared by the Chairman or a person authorised by him alongwith the Scrutinizer's Report and shall be forthwith placed on the Company's website and on the website of NSDL and shall be also communicated to BSE Limited. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed at the date of AGM i.e. September 1, 2015.

## ANNEXURE TO NOTICE

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

The following statement sets out material facts relating to the Special Business mentioned in the accompanying Notice:

#### Item No. 4

As per Section 42 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014, a company shall not make a Private Placement of its securities unless the proposed offer of securities or invitation to subscribe to securities has been previously approved by the Members of the Company by a Special Resolution for each of the offers or invitations. The Special Resolution as aforesaid is valid for a period of 1 (One) year from the date of passing.

The Non-convertible Debentures (NCDs) issued on preferential basis is one of the most cost effective source for long term borrowings.

In view of the above, and to meet the requirements of section 42 of the Companies Act, 2013, approval of the members is sought for Private Placement of Debentures upto Rs. 100 crores, within the overall borrowing limits of the Company of Rs. 500 crores at any point of time, as approved by the members of the Company in the Annual General Meeting held on August 6, 2014. The members in the aforesaid meeting had also approved creation of security upto Rs. 500 crore at any point of time.

It is proposed to utilize the funds for general corporate purposes and/or investments in subsidiaries.

None of the Directors and Key Managerial Personnel and their relatives is concerned or interested, in the said Special Resolution at Item No. 4 of the Notice.

The Board recommends the Special Resolution at Item No. 4 of the accompanying Notice in the interests 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. 2.60 lakhs plus out of pocket expenses for the financial year ending March 31, 2016.

In accordance with the provisions of section 148 of the Companies Act, 2013 (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, 2016.

None of the Directors, Key Managerial Personnel of the Company and their relatives is 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 interests of the Company.

#### Item No. 6

The existing Articles of Association (AoA) of the Company as amended from time to time are presently in force since year 1967 and are based on the Companies Act, 1956. Several regulations in the existing AoA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AoA are no longer in conformity with the Companies Act, 2013 (Act).

Considering that substantive sections of the Act which deal with the general working of the Company have been notified, several regulations of the existing AoA of the Company require alteration or deletions. It is therefore necessary to amend the existing AoA to align it with the provisions of the Act by substituting the existing AoA in its entirety by a new set of Articles.

The new AoA to be substituted in place of the existing AoA are largely based on Table 'F' of the Act which sets out the model articles of association for a companies limited by shares.

The proposed new draft AoA is being uploaded on the website of the Company and would be also available for inspection for the members at the Registered Office of the Company on any working day (Monday to Friday) between 11.00 am to 1.00 pm.

None of the Directors, Key Managerial Personnel and their relatives is concerned or interested, in the Special Resolution at Item No. 6 of the Notice.

The Board recommends the Special Resolution set out at Item No. 6 of the accompanying Notice in the interests of the Company.

By Order of the Board of Directors

Pankaj Khattar  
Head Legal & Company Secretary

Mumbai, May 26, 2015.

*Registered Office:*  
Forbes' Building,  
Charanjit Rai Marg,  
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

**Details of Directors whose re-appointment/appointment is proposed at the forthcoming Annual General Meeting  
(Pursuant to Clause 49 of the Listing Agreement)**

<b>Name of Director</b>	<b>Mr. Jimmy J. Parakh</b>
<b>Date of Birth</b>	October 1, 1949
<b>Date of first Appointment as a Director in the Company</b>	March 29, 2012
<b>Qualification/s</b>	B.com (Hons), F.C.A
<b>Relationship with any other Director of the Company</b>	Not related to any Director of the Company.
<b>Expertise in specific functional areas</b>	Mr. Jimmy J Parakh has wide and varied experience in real estate and construction sector in addition to general management including mergers and acquisitions. Mr. Parakh has been associated with Shapoorji Pallonji Group for the past 35 years. Mr. Parakh has been instrumental in shaping the growth of multiple businesses/companies including turning around existing businesses. Mr. Parakh continues to be an Advisor to the Shapoorji Pallonji Group.
<b>Other Public Companies in India in which he is a Director</b>	Nil
<b>Membership of the Committees of Board of Indian Public Companies</b>	Nil
<b>No. of shares held in the Company</b>	Nil

[illegible]

**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

**ATTENDANCE SLIP**

(To be presented at the entrance duly signed)

Name of the Shareholder / Proxy

I hereby record my presence at the Ninety-Sixth ANNUAL GENERAL MEETING of the Company at Indian Merchants' Chambers, Walchand Hirachand Hall, IMC Building, 4<sup>th</sup> Floor, IMC Marg, Churchgate, Mumbai 400 020 on Tuesday, September 1, 2015 at 4.00 pm.

SIGNATURE OF THE ATTENDING MEMBER / PROXY: \_\_\_\_\_

**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 : DPID:

I/We, being member(s) of \_\_\_\_\_ shares of Forbes &amp; 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 96<sup>th</sup> Annual General Meeting of the Company, to be held at Indian Merchants' Chambers, Walchand Hirachand Hall, IMC Building, 4<sup>th</sup> Floor, IMC Marg, Churchgate, Mumbai 400 020 on Tuesday, September 1, 2015 at 4.00 pm 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, 2015 together with the Reports of the Board of Directors and the Auditors Report thereon; and
  - b) The Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2015 and the Auditors' Report thereon.
2. To appoint Director in place of Mr. J. J. Parakh who retires by rotation and being eligible, seeks re-appointment.
3. To appoint Deloitte Haskins and Sells LLP, Chartered Accountants as the Auditors of the Company and authorise the Board to fix their remuneration.
4. Issue of Non-convertible Debentures through Private Placement upto Rs. 100 crores.
5. Ratification of the remuneration to be paid to Kishore Bhatia & Associates, Cost Auditors appointed by the Board for the financial year 2015-16.
6. Adoption of new Articles of Association of the Company.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2015

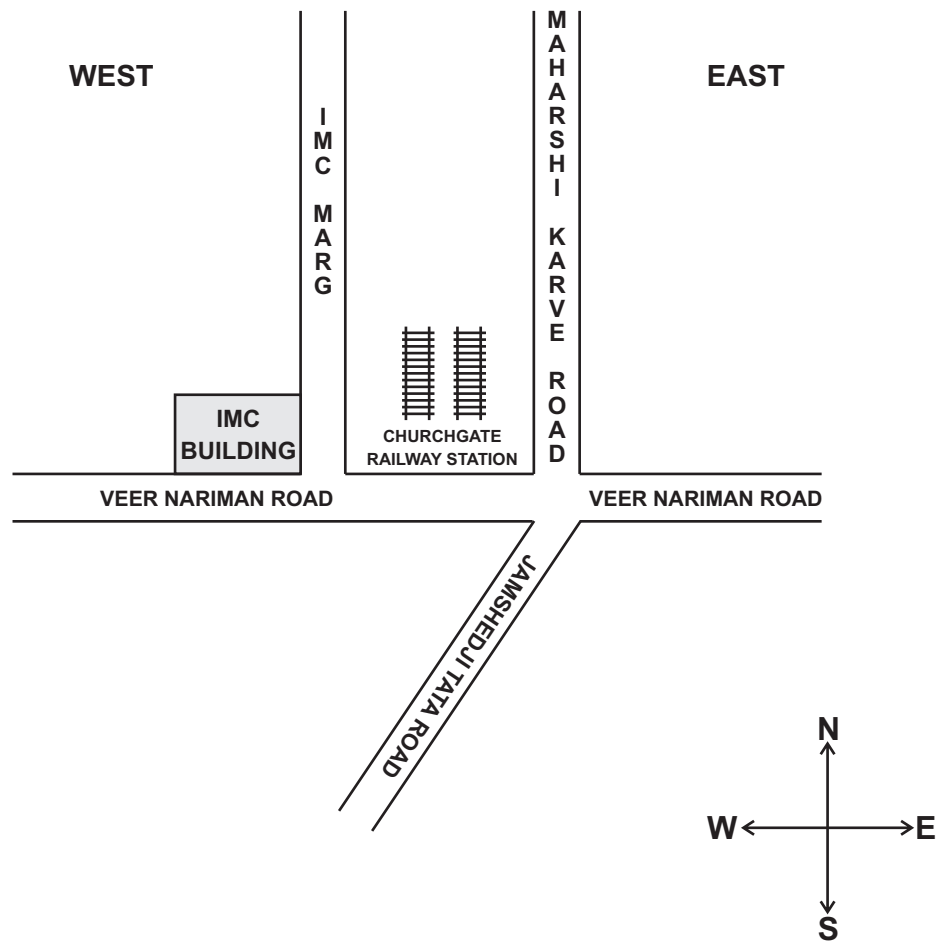
Signature of the shareholder : \_\_\_\_\_

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.**

## Route Map for 96<sup>th</sup> Annual General Meeting Venue



Map not to Scale





**FORBES & COMPANY LIMITED**

**ANNUAL REPORT**  
**2014-15**





Eureka Forbes

Delivering the promise of health, safety and happiness to millions of homes and offices in India and across the world.

HEALTHY WATER



CLEAN ENVIRONMENT



24/7 SAFETY



24/7 SECURITY



PURE AIR



**BOARD OF DIRECTORS**

SHAPOOR P. MISTRY	Chairman
ASHOK BARAT	Managing Director
S. L. GOKLANEY	
T. R. DOONGAJI	
KAIWAN D. KALYANIWALLA	
D. SIVANANDHAN	
JIMMY J. PARAKH	
JAI L. MAVANI	
AMEETA CHATTERJEE	
KANNAN DASARATHARAMAN	

**COMPLIANCE OFFICER**

PANKAJ KHATTAR  
Head Legal and Company Secretary

**MANAGEMENT**

ASHOK BARAT	Managing Director
SHRIKRISHNA M. BHAVE	Director - Human Resources
SUNETRA GANESAN	Chief Financial Officer
RAVI C. PREM	Chief Operating Officer- Engineering Division
NEIL ELIJAH	Chief Operating Officer - Logistics & CFS
PRAKASH KARUNAKARAN	Vice President - Energy Solutions Group

**STATUTORY AUDITORS**

DELOITTE HASKINS AND SELLS LLP

**SOLICITORS AND ADVOCATES**

MESSRS. DESAI & DIWANJI

**BANKERS**

PUNJAB NATIONAL BANK  
STANDARD CHARTERED BANK  
IDBI BANK LIMITED  
HDFC BANK LIMITED  
YES BANK LIMITED

**REGISTRARS AND 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: cgs-unit@tsrdarashaw.com

**FACTORIES****AURANGABAD**

A-7, M.I.D.C. AREA CHIKALTHANA  
AURANGABAD 431 210

PLOT B-13, WALUJ INDUSTRIAL AREA  
AURANGABAD 431 133

**MUMBAI**

CHANDIVALI ESTATE,  
SAKI POWAI ROAD,  
MUMBAI 400 072

**CONTAINER FREIGHT STATIONS****NHAVA SHEVA**

VESHVI, POST - DIGHODE  
TALUKA - URAN,  
DIST. RAIGAD 410 206

**MUNDRA**

BHARAT CFS ZONE 1,  
OLD PORT ROAD MP AND SEZ,  
MUNDRA 370 421

**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

Ninety Sixth Annual General Meeting of Forbes & Company Limited will be held on Tuesday, September 1, 2015 at 4.00 p.m. at Indian Merchants' Chambers, Walchand Hirachand Hall, IMC Building, 4<sup>th</sup> Floor, IMC Marg, Churchgate, Mumbai 400 020.

Notice, Annual Report can be accessed at [www.forbes.co.in](http://www.forbes.co.in)

## NINETY –SIXTH ANNUAL REPORT 2014 -2015

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## DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present their Report and the Audited Financial Statements of the Company for the Financial Year (FY) ended March 31, 2015.

### Financial Results and Highlights of Performance

The Company's performance during the year under review is summarized as follows:

Rs. in Crores

Particulars	Standalone		Consolidated	
	FY 14-15	FY 13-14	FY 14-15	FY 13-14
Revenue from Operations and Other Income (Total Revenues)	293.55	293.46	3605.23	3131.72
Earnings before Interest, Depreciation & Taxation (EBIDT)	15.47	16.12	203.65	217.56
Profit/(Loss) after Interest and before Depreciation	(3.27)	(2.43)	112.50	138.28
Depreciation	7.15	13.27	21.62	54.15
Profit/(Loss) after Depreciation	(10.42)	(15.70)	90.88	84.13
Exceptional items	9.84	(14.01)	(10.10)	(12.12)
Profit before tax (PBT)	(0.58)	(29.71)	80.78	72.01
Profit after tax (PAT)	(0.58)	(29.71)	37.05	50.45

On a consolidated basis, Total Revenues for the FY 2014-15 were at Rs. 3605.23 crores, higher by 15.12% over the previous year. Consolidated EBIDT was Rs. 203.65 for the financial as compared to Rs. 217.56 Crores in the previous year. Consolidated PAT for the financial year was Rs. 37.05 Crores as compared to Rs. 50.45 Crores in the previous year.

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

#### Outlook

Global growth remains moderate, with uneven prospects across the major economies. The global growth in the FY 2014-15 increased by 3.4% which is lower than initial expectations. The outlook for advanced economies is improving, while growth in emerging market and developing economies is projected to be lower, primarily reflecting weaker prospects for some large emerging market economies and oil-exporting countries.

Complex forces that affected global activity in FY 2014-15 are still shaping the outlook. These include medium and long-term trends, such as population aging and declining potential growth; global shocks, such as lower oil prices; and many country or region specific factors, exchange rate swings triggered by actual and expected changes in monetary policies.

Growth is projected to be stronger in the FY 2015-16 relative to the FY 2014-15 in advanced economies, but weaker in emerging markets, reflecting more subdued prospects for some large emerging market economies and oil exporters. Medium-term prospects have become less optimistic for advanced economies, and especially for emerging markets, in which activity has been slowing since the FY 2010-11. In FY 2015-16, the uneven global recovery is likely to continue with the International Monetary Fund (IMF) expecting the world GDP growth to improve marginally to 3.5% in FY 2015-16 and 3.8% in FY 2016-17.

Businesses are adapting, reshaping their strategies to establish a stronger customer connect, create competitive differentiation and address new opportunities, though it is taking longer than expected for economies to regain their stride.

Despite unpredictable headwinds, the global economic recovery is gaining momentum. Building on the macroeconomic mending process that began in late FY 2013-14, the Indian economy has made commendable progress. A strong political mandate emerging from the outcome of the general elections, in May'2014, supported business, investor and consumer sentiment. Thereafter, a supportive global commodity price environment along with gradual improvement in governance resulted in an increase in economic output. Led by the manufacturing, finance and electricity sectors, the government expects GDP growth for the FY 2014-15 to be 7.4% up from 6.9% in the FY 2013-14.

India's economic outlook for FY 2015-16 appears optimistic and is poised to return to its high-growth path. A confluence of lower fiscal and current account deficits, declining inflation, benign commodity price outlook and structural reforms shall boost investments. The monetary policy is also likely to be supportive with the Reserve Bank of India (RBI) having moved to flexible inflation targeting. The manufacturing sector is likely to benefit from lower interest rates. International rating agency Moody's, also upgraded India's sovereign outlook to positive from stable in April 2015.

#### Precision Tools Group (PTG)

The current financial year has been a year of consolidation and

correction for this business vertical. In spite of industry slowdown, this business grew by 8%. The major focus was on the development of high performance product lines which suits different material applications. The design & development team developed products which are at par with international competitors. High performance tool sector has shown a growth of 20%, Year on Year (YoY). A new series of product lines was developed for the Automobile segment to cater to the changing productivity demand of the industry.

During the year, the PTG initiated diversification into the non-auto sector. PTG now has a product line that can service the aerospace, railways and die & mould segments.

PTG established a capacity of 60 MT per month of Spring Washer facility catering to major auto Original Equipment Manufacturers (OEM) with zero defect assurance.

Specific focus on training & development helped PTG to win the second prize in a summit of Confederation of Indian Industry (CII) for cost competitiveness.

The initiatives taken by the Company to strengthen its market position included modernizing the production facilities for better product quality, improvement in operational efficiencies and also in customer services. Operational excellence initiatives were undertaken under the 'Adapt, Change, Excel' (ACE) Program.

There were continuous efforts to improve exports to the Middle East and the South East Asian markets and there were successful breakthroughs in Eastern Europe for taps.

HSS drill product was established in Middle East market and has shown 100% growth on a YoY basis. The Company expects to make good progress in the markets in Japan and the United States of America.

#### **Coding Business Group (CBG)**

This business vertical, excelled its in-house assembling capability on a YoY and offered diversified solutions' to automobile and engineering industries.

The highlights of automation solutions during the year were development of the first of its kind Optical Vision System Sorting Machine, Laser Marking systems, Automated assembly line for Water Filter cartridge assembly, Laser marking with 2D scanning & development of MES integrated system for a big automobile OEM.

New initiatives included providing Traceability Software and Product development initiatives included handheld low cost marking device. This business vertical has shown good growth on a YoY basis and is expected to grow even in the future years.

#### **Energy Solutions Group (ESG)**

FY 2014-15 was dedicated to restructuring and streamlining the complete operations of this business vertical. ESG was integrated into the existing Enterprise Resource Planning (ERP) quite successfully during FY 2014-15. The laid down processes and procedures also brought ESG successfully under the International Organization for Standardization (ISO) Coverage. The Certification Audit of ESG was conducted in the 1st Quarter of the financial year by SGS and was successful.

This year the market picked up considerably with two major projects

being implemented at Bharat Petroleum Corporation Limited and Chennai Petroleum Corporation Limited. There were a number of Drive Turbine enquiries wherein ESG was successful in bidding as well as executing. The carry over order book is also healthy. The Power Sector Business which was targeted in FY 2014-15 was however not as successful as expected.

On the Renewable Energy front there has been a lot of promise but projects have really not taken off in India due to low Power Purchase Agreements. Morgan Solar has deferred its launch of the Concentrated Photo Voltaic panels in India and is also examining seriously the possibilities of lowering its Tracker costs.

The FY 2015-16 is promising to be a good year for ESG on the Drive Segment.

#### **Container Freight Stations (CFS)**

The Company has two CFSs, one at Mundra, in Gujarat and another at Veshvi (Jawaharlal Nehru Port Trust) near Mumbai.

This business, once a lucrative option for Logistics, has now been impacted adversely by a severe proliferation of various new facilities. Over supply, depressed demand as well as frequent congestion at the major ports has caused container traffic to be diverted to various smaller ports in India.

Poor agricultural exports, mainly of rice and cotton, have impacted the CFS but the general outlook for the FY 2015-16 on agriculture looks to be promising. In spite of the various uncertainties of the currency markets, trade sanctions and tough business conditions, this business vertical has had a stable performance.

#### **Freight Forwarding**

This business vertical still faces a lot of challenges primarily due to the continuous fluctuations in bunker prices and the resultant uncertainties arising out of it.

Due to over supply of vessels, the demand for slots has not risen due to which the base freight rates have dropped drastically. In Indian economy there has been a sharp decline of export by 20% to Asian countries resulting in low volume turn over in exports.

The continuing recession in Europe, highly competitive pricing as well as a huge influx of un-organised players have created a continuous pressure on the margins.

#### **Development of Plot of Land at Chandivali**

As per the terms of out-of-court settlement of the dispute relating to the sale of plot of land at Chandivali, the Company and Videocon Realty and Infrastructure Limited (Videocon) are jointly developing their respective share (50% each) on the plot of land at Chandivali through a specific flatwise allocation of built up area of apartments. The Project named 'Vicinia' is on a 6.74 acres piece of land (after reservation/road setback net available land would be approximately 5 acres of land). It will comprise of 7 towers with approximately 458 apartments. The Project is expected to be completed by December 2019.

#### **Investment in Subsidiaries/Joint Venture**

During the year, the Company incorporated a wholly owned subsidiary viz., Campbell Properties & Hospitality Services Limited. Forbes



Campbell Finance Limited, a wholly owned subsidiary company of the Company divested its entire shareholding (50% shareholding in the Joint Venture) in Nypro Forbes Products Limited. Forbes Edumetry Limited is being wound up under Voluntary Liquidation. The Company is examining various options with respect to its investments in Edumetry Inc.

#### Subsidiaries/ Associates /Joint Ventures

During the year the following companies have become or ceased to be subsidiaries, joint ventures or associates.

Name of Company	Nature of Relationship
E4 Development & Coaching Limited	Ceased to be a subsidiary of Eureka Forbes Limited (a wholly owned subsidiary of the Company) with effect from April 1, 2014.
Shapoorji Pallonji Forbes Shipping Limited (SPFSL, formerly SCI Forbes Limited.	Became a Subsidiary of the Company with effect from December 1, 2014 by virtue of control over the composition of the Board of Directors. There is no change in the shareholding of the Company in SPFSL.
Campbell Properties & Hospitality Services Limited	Incorporated as a wholly owned subsidiary of the Company with effect from December 30, 2014.
LIAG Trading and Investment Limited	Incorporated as a wholly owned subsidiary of Lux International AG (a step down subsidiary of Eureka Forbes Limited) with effect from February 4, 2015.
Euro Forbes International Pte Limited	Ceased to be a subsidiary of Eureka Forbes Limited with effect from March 31, 2015.

Details of subsidiary(s), associate company(s) and joint venture(s) company(s) are set out in the statement in Form AOC-1, pursuant to Section 129 of the Companies Act 2013, 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 available on the website of the Company, [www.forbes.co.in](http://www.forbes.co.in)

#### Eureka Forbes Limited & its Subsidiaries (EFL)

In FY 2014-15, EFL as one dominating force, expanded its markets, executed its strategies, evolved as individuals and excelled in performance, to make EFL group a Global Multi-National Corporation. EFL posted a growth of 19% over the previous year with the revenue from operations (net) Rs. 2,232 Crores for the year as compared to Rs. 1,871 Crores for the previous year. The profit after tax for the year is Rs. 38.88 Crores compared to Rs. 14.64 Crores in the previous year.

The Direct Sales Division of EFL has once again proved its mettle to stay ahead of the game with 'Category First' initiatives like – Paani-ka-Doctor clinics (smaller offices to improve visibility and expand reach) and rental sales. EFL has taken bold steps of restructuring its core brands in water to maintain its pole position in the market by introducing 'Dr. Aquaguard' as its flag-ship brand in Direct Sales with cutting-edge products and a state-of-the-art training and demo program. This has enabled EFL to move 'Aquaguard' in Retail segment to fight

competition on a common platform.

The Superbrand Euroclean has also reached new heights due to year-long 'below the line' marketing activities. During FY 15-16, this category will be even more exciting with some new products in the pipeline. Foreseeing a major market shake-up, EFL has reinvented its range of Air Purifiers under the brand name 'Aeroguard'. There will be a special focus to drive this sunrise category and capture a significant market share.

To ensure that EFL reaches maximum people, the three new sales channels – TV Shopping, e-Commerce and Tele-Sales Engine, are taking shape and have already started giving good returns.

The Consumer Division of EFL will now forge a strong base with an exciting range of products under brand Aquaguard and take further the concept of 'Paani ka Doctor'. Dr. Sriram Nene and his celebrity wife Ms. Madhuri Dixit have joined the cause and will promote 'Not just pure but healthy water' through Aquaguard. EFL is also pursuing an aggressive expansion plan boosting its retail presence through two new channels – Rest of Urban and Rurban (Rural+Urban).

The New Initiatives vertical has been restructured to include Security solutions, Packaged Drinking Water, FMCD and other projects which will help EFL to reach the aspirational \$1 Billion target.

The Aquasure Packaged Drinking Water (PDW) brand became available in over 24,000 outlets in 32 cities through 36 franchises, dispensing 41 million litres of water. The brand is now available across several prestigious clients.

The Eurovigil Security Systems Brand secured prestigious multi-locational orders from several prestigious clients for Intrusion Alarm and Surveillance Systems (CCTV).

The progress in all the categories is going to take EFL to the next level and hopefully make it a beacon of success for many more years to come.

The Forbes Pro Clean Technology Solutions has been actively involved in the Swachh Bharat movement by joining hands with institutions and heritage sites to provide cleaning operations and demonstrating the impact of clean environment. There has been a significant switch from selling products to installing solutions and adding value to the customers. Forbes Facilities has moved into property management in prestigious clubs like Bombay Gymkhana and Bombay Presidency Golf Club and has also entered into facility management in the Oil and Gas sector. The water projects team made a foray into desalination plants by bagging and executing the first Diesel plant order from Toshiba, Japan for a power plant in Philippines. Besides this, considering lack of movement of projects in India, EFL executed many export orders to Africa, Vietnam, Thailand and Philippines and shall stand EFL in good stead in future. Digital marketing has been effectively used by the Forbes Pro water team and the team has signed with 'Blue Star' for cobranding with them on coolers cum purifiers. Water solutions and community fulfillment installed the first completely solar powered 1000 liters per hour water treatment plant in Kolkata's urban slum which is the first of its kind in India. No water is wasted in the whole process. The Water Solutions Division has also made a significant impact in realty segment by providing water treatment and waste water treatment plants and also developed a complete solution for swimming pools in a prestigious residential complex with 68 plunge pools and one big swimming pool. The year gone by has been challenging due to slow

growth in India. However, with the orders and prospects on hand and the economy likely to open up, Forbes Pro is planning to grow significantly this year.

As in the past, during the current year too, EFL and its subsidiaries received various awards and recognitions, some of which are as, hereunder:

- Eureka Forbes : Selected Business Superbrand India 2014;
- “Great Places to Work”: Rank 12;
- Reader's Digest : Trusted Brand : Aquaguard 2013;
- The Economic Times Best Brands 2014: Aquaguard;
- Forbes Facility has won the prestigious Ramkrishna Bajaj National Quality Award for its Quality Management programs;
- 2014 Excellence Awards 'Asia's Best Marketing Brands : Aquaguard, Eureka Forbes' by WCRC (World Consulting & Research Corporation);
- Asia's Best Marketing Brands : Eureka Forbes Vacuum Cleaners by WCRC (World Consulting & Research Corporation);
- Forbes Lux ranked No 24 in DSN Global 100 rankings;
- 'Golden Peacock Commendation' for Quality awarded to Aquamall,
- Winner - India MAKE Award 2013;
- Great Place to Work® Best Workplaces in Asia – Rank 18;
- Maharashtra State government recognised Eureka Forbes with the “Apang Kalyan Rajya Puraskar 2014” for Euroable Initiative;
- Won prestigious UNESCO-Water Digest Award for the 7<sup>th</sup> time:
  - Best Water R&D and Technological Breakthrough : Aquaguard Magna HDRO + UV;
  - Best Complete Domestic Water Solutions Provider: Domestic;
  - Best Domestic RO Water Purifier: Reverse Osmosis: Aquaguard Enhance Green RO;
  - Technologically Enhanced Innovative Domestic Water Purifier (RO+UV/UV+UF): Aquaguard Geneus;
  - Made In India: Best water Company (Private Sector): Eureka Forbes; and
- Golden Peacock Innovative Product/Service Award for the year 2015 (for *Aquaguard Magna with Mineral Absorption Technology*).

#### **Forbes Technosys Limited (FTL)**

During the FY 2014-15, FTL continued its rapid growth across multiple dimensions and witnessed steady growth across its business verticals and product range.

FTL continued to establish leadership in e-lobbies, Cash Deposit kiosks, Passbook Printing Kiosks, Ticket Vending Machines, Information Kiosks and Coin Vending Machines. FTL received orders from a large number of PSU banks and Private Banks who implemented their plans to set up fully electronic Self Service Branches called e-lobbies to enhance their services to customers. FTL also received large orders from Telecom Companies and Public Utilities for the deployment of Bill Payment Kiosk.

FTL made significant investments in infrastructure creation, expansion of offices, service network, new product development and exports. The investments will help the company in addressing emerging opportunities in domestic and international markets in near future.

FTL also recorded significant growth in its e-payments business and also launched an online portal for recharge, bill payments etc. to address the card users and Internet Banking segment.

FTL made an entry into the Transportation sector by securing impressive orders from the Indian Railways for ATVMs (Automatic Ticket Vending Machines).

FTL continued to receive awards and recognition which included:

- Worldwide Achievers Business Leadership Award 2014;
- 'SME of the Year 2014' at the ASSOCHAM Excellence Awards - ICAI;
- 'Leading SMEs of India 2014' Dun & Bradstreet, Times Group & Federal Bank;
- Leadership in Cash Deposit Kiosks-Best Project Implementation at eGov BFSI i.e. .Banking, Financial services and Insurance Leadership Summit;
- CIO Company of the Year 2014-Cheque Truncation Solution;
- Breakthrough Product Innovation in R&D Award from All India Management Association on 'Innovation led transformation'; and
- CIO Review Magazine as one of the '20 Most Promising BFSI Software Companies in India'.

Future plans and strategy includes the creation of a platform for long term profitable growth by:

- Consolidating its leadership position in Self Service Banking Solutions, Transportation & Utilities
- Targeting high growth in e-Payment services, Enterprise Mobility & Currency Handling Solutions

#### **Shapoorji Pallonji Forbes Shipping Limited (formerly SCI Forbes Limited)**

During the FY 2014-15 earnings enhanced due to improved freight rates, lower fuel prices and better fuel management. The Chemical markets performed better in 2014-15. The average earning per day per ship was USD 9703, as compared to USD 8369 per day per ship during the previous year, an increase of 16%.

All the four tankers were well maintained and operated efficiently. All the vessels enjoy at least five Oil Major 'approvals' including approval from Shell. The average down time for the year has been just 1.67 days per ship; significantly better than the industry average.

During the year, all the vessels continued to trade East of the Suez Canal. The general route was West Asia Gulf (WAG) to India to South East Asia. The ships remained in the MARIDAPOL of Nordic Womar Pte. Limited. The Pool has a fleet of eighteen vessels.

The Pool has three 'Contracts of Affreightment' to lift regular cargoes out of Saudi Arabia, Qatar and Oman. This not only helps fill up the vessels substantially but also permits an opportunity to attract small spot parcels of chemicals from the load ports.

During the year, three vessels had to undergo mandatory overhaul, layup and dry docking. The dry docking presented an opportunity to recoat MT Bhairavi with Marine Line that improves yield by over USD 250 per day. With this, two vessels have now been recoated; MT Asavari having been recoated, in 2013. The third vessel MT Malhari is currently undergoing recoating.



The drydocking also enabled the recoating of the hull with an improved underwater paint 'SEAFLOWED' that has a better self polishing ability and thereby results in a fuel economy of 8 % to 10 % that translates to an improvement in yield by USD 485 on an average, per day per ship when the vessel is sailing.

#### **Forbes Bumi Armada Offshore Limited (FBAOL)**

FBAOL was awarded a 7 year contract by ONGC for providing a Floating Production Supply and Offloading Vessel (FPSO) on Charter Hire including its Operation & Maintenance. FBAOL has mobilized and deployed the FPSO Armada Sterling facility along with its crew in the D1 field of ONGC against the said contract.

FPSO Armada Sterling completed its 2<sup>nd</sup> contract year of operations without Lost Time Injury (LTI) on April 22, 2015. Uptime of FPSO during the FY 2014-15 was nearly 100%.

During the year the Revenue from operations increased by 2.3 % from Rs. 481.32 Crores to Rs. 492.41 Crores. However, the Profit was impacted by increased costs and provisioning during the year which resulted in lower Profit after tax for the FY 2014-15 at Rs. 9.25 Crores against Rs. 16.57 Crores in the previous year.

#### **Assets of the Svadeshi Mills Company Limited (Svadeshi)**

Assets of the Svadeshi continue to be in the hands of the Official Liquidator, High Court, Bombay. An application to get Svadeshi out of liquidation had been filed with the Hon'ble High Court, Bombay, inter alia, praying for permanent stay on the Order passed by the High Court ordering winding up of Svadeshi and to hand over to the applicants the entire undertaking of Svadeshi. The High Court had dismissed the application and directed the Official Liquidator to proceed expeditiously for winding up of Svadeshi. The Company had filed an appeal before the Division Bench against the Order of the High Court. The Division Bench also dismissed the Appeal vide its order dated August 23, 2013. The SLP has been filed in Supreme Court (SC) and the matter was heard on January 27, 2014. The SC allowed notice to be issued to the remaining respondents. The SC also directed all the parties to maintain status quo with regard to immoveable properties of the Company. The next date of hearing is July 28, 2015.

The Company, being a secured creditor, with adjudicated dues by the Official Liquidator, expects to receive the dues along with nominal interest thereon.

#### **Dividend and Transfer to Reserves**

In view of the losses during the current year, the Directors regret their inability to declare dividend.

No amount was transferred to reserves during the year.

#### **Share Capital**

The paid up Equity Share Capital of the Company as on March 31, 2015 was Rs.1289.86 lakhs. During the year under review, the Company has not issued any shares with differential voting rights or 'sweat equity shares' and has not granted any stock options. As on March 31, 2015 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, 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 aggregating to Rs. 100 Crores were outstanding during the year ended March 31, 2015.

- **Deposits**

The Company has not accepted deposits from public falling within the ambit of section 73 of the Companies Act, 2013 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, 2013.

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

Particulars of Loans, Guarantees or Investments covered under provisions of section 186 of the Companies Act, 2013 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 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 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 'II' to this report pursuant to Section 188 of the Companies Act, 2013. 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.

## 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 the financial year 2014-15, 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 is attached. 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 Board of Directors of the Company has voluntarily constituted Corporate Social Responsibility Committee in compliance with section 135 of the Companies Act, 2013 (Act) even though the provisions of Corporate Social Responsibility are not currently applicable to the Company. The Corporate Social Responsibility Policy adopted by the Board focus on areas of Health, Education, Environment Preservation, Rehabilitation of families affected by natural calamities and General Improvement in quality of life.

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

## Risk Management

Risk management process includes identification of risk, its underlying dynamics, mitigation mechanism, prioritization of risk, measurement of key indicators and 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 Companies Act, 2013, Mr. J. J. Parakh is due to retire by rotation at the ensuing AGM and being eligible seeks for re-appointment. The Board of Directors recommends his re-appointment as Director of the Company.

The Company has received declarations from all the Independent Directors of the Company viz. Mr. T. R. Doongaji, Mr. Kaiwan D. Kalyaniwalla, Mr. D. Sivanandhan, Ms. Ameeta Chatterjee and Mr. Kannan Dasaratharaman confirming that they meet with the criteria of Independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchanges.

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 programme have been hosted on the website of the Company and can be accessed at [www.forbes.co.in](http://www.forbes.co.in)

Ms. Sunetra Ganesan was appointed as Chief Financial Officer of the Company with effect from May 27, 2014.

## Audit Committee of the Board of Directors

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

## Board Evaluation

Pursuant to the provisions of the Act and Clause 49 of the Listing Agreement, 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 & Remuneration, Stakeholder Relationship and Corporate Social Responsibility 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, quality of relationship between the Board and the Management.

The performance of the committees viz. Audit Committee, Nomination & Remuneration Committee, Corporate Social Responsibility 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, quality of relationship of the committee with the Board and the Management.

The Board and the Nomination & 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 & Remuneration Committee, framed a policy for selection and appointment of Directors, Senior Management 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 & Remuneration Policy is annexed as Annexure 'III' to this report.

Disclosure as required under section 197 (12) of the Companies Act, 2013 (Act) read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed as Annexure 'IV' to this Report.

### Meetings of the Board

The Board met at least once in each quarter and 6 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 are given 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:

- (i) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) that the directors 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) that 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) that the directors have prepared the annual accounts on a going concern basis.
- (v) that the directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively.
- (vi) that the directors 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

Members are requested to re-appoint Messrs. Deloitte Haskins & Sells

LLP (DHS) as the Statutory Auditors of the Company to hold office from the conclusion of the forthcoming Annual General Meeting of the Company till the next Annual General Meeting of the Company and authorise the Board to fix their remuneration. DHS has confirmed their eligibility under section 141 of the Companies Act, 2013 and the Rules framed thereunder for re-appointment as Auditors of the Company. As required under Clause 49 of the Listing Agreement, the auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

The Audit Report forms a part of the Annual Report. The Auditors have referred to certain matters in their report on Standalone and Consolidated Financial Statements to the shareholders, which read with relevant notes in the Financial Statements are self-explanatory.

#### Cost Auditors

As per the requirements of section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Rules, 2014, the cost accounts of the Engineering Division 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 financial year 2015 – 2016 on a remuneration of Rs.2.60 Lacs 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 Sixth Annual General Meeting of the Company.

#### Secretarial Audit

Pursuant to the provisions of section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Makarand M. Joshi & Co, a firm of Company Secretaries in Practice, to undertake the Secretarial Audit of the Company. The Report of the Secretarial Auditor is annexed herewith as Annexure 'V'.

#### Human Resources Development and Industrial Relations

The major focus during the year was partnering with Businesses & Divisions with a view to making HR an integral Business Driver. Towards this, the Performance Management System which was introduced on the principle of Balance Score Card was entrenched across the Divisions. Specific learning and development interventions, pertaining to both domain and soft skills were done in Engineering and Shipping & Logistics Divisions. From a Leadership Development perspective, identified high potential employees from across divisions were nominated to SP Group Talent Development Programs 'Shikhar' and 'Udaan'. Strong employee induction processes were introduced to integrate and assimilate new entrants and enable them to become effective in a short span of time. HR partnered with Engineering Division in a critical business improvement intervention titled 'Adapt, Change, Excel' (ACE) which was rolled out across the Division.

Employee Engagement levels were kept high through various cultural and other functions, also including participation in various sports events in the 150 years Celebration of SP Group where Forbes was a proud winner of several team and individual medals. Employee relations at large and relations with all the unit unions continued to be productive and cordial. Productivity and efficiency continued to be the focus areas in Manufacturing Operations.

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

- (a) The information required pursuant to Section 197 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 Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014 is annexed herewith as Annexure 'VI'.

**Extract of Annual Report**

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

**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.

**Acknowledgement**

Your Director 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 26, 2015.

**FORM AOC-I**

**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures  
(Pursuant to first proviso to sub-section (3) of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)  
PART "A" SUBSIDIARIES**

Sr. No.	Name of Subsidiary	Aquadagnostic Water Research & Technology Centre Limited	Aquamall Water Solutions Limited	Campbell Properties & Hospitality Services Limited	Eureka Forbes Limited	EFL Mauritius Limited	Euro Forbes Financial Services Limited	Euro Forbes Limited Dubai			Forbes Bumi Armada Limited	Forbes Bumi Armada Offshore Limited	Forbes Campbell Services Limited	Forbes Edumetry Limited	Forbes Enviro Solutions Limited	Forbes Facility Services Private Limited
		31/3/2015	31/3/2015	31/3/2015	31/3/2015	31/3/2015	31/3/2015	31/12/2014	31/3/2015	31/3/2015	31/3/2015	31/3/2015	31/10/2014	31/3/2015	31/3/2015	31/3/2015
	Reporting Period of Subsidiary concerned, if different from the holding company's reporting period															
	Reporting Currency and exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries															
		₹	₹ In Lakhs	₹ In Lakhs	₹ In Lakhs	₹ In Lakhs	₹ In Lakhs	₹ In Lakhs	₹ In Lakhs	₹ In Lakhs	₹ In Lakhs	₹ In Lakhs	₹ In Lakhs	₹ In Lakhs	₹ In Lakhs	₹ In Lakhs
(a)	Share Capital	300.00	▼ 400.02	5.00	372.80	▼ 287.20	73.93	▼ 21,234.26	▼ 5.00	▼ 93.82	63.43	▼ 5,950.61	▼ 5.00	▼ 288.00	▼ 5.00	▼ 100.00
(b)	Reserves & Surplus	★ (175.17)	27,698.20	★ (1.87)	21,576.99	79.68	104.50	8,326.95	★ (1.76)	★ (41.45)	61.80	★ (2,561.42)	1.38	★ (692.05)	★ (2.14)	68.82
(c)	Total Assets	135.25	44,704.81	3.28	103,446.54	371.45	80.42	29,872.27	3.59	356.26	63.76	22,713.70	9.14	-	3.13	3,283.26
(d)	Total Liabilities	10.42	16,606.59	0.15	81,496.74	4.56	68.21	311.06	0.36	303.89	63.59	19,324.51	2.76	404.05	0.27	3,114.44
(e)	Investments	-	15,380.37	-	28,220.39	368.95	80.51	29,702.94	-	140.32	64.01	8,981.96	-	-	-	-
(f)	Turnover	80.29	58,943.24	-	162,798.32	-	-	-	-	-	-	-	43.94	-	-	9,104.34
(g)	Profit before Taxation	17.56	9,818.32	(1.87)	4,591.33	6.60	76.23	503.33	(0.17)	(32.16)	61.19	(1,968.05)	0.02	(0.28)	(0.11)	302.55
(h)	Provision for Taxation	-	2,620.74	-	603.43	0.20	-	15.10	-	-	-	-	(0.14)	-	-	97.88
(i)	Profit After Taxation	17.56	7,197.58	(1.87)	3,987.90	6.40	76.23	488.23	(0.17)	(32.16)	61.19	(1,968.05)	0.16	(0.28)	(0.11)	204.67
(j)	Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(k)	% of Shareholding	100	100	100	100	100	100	100	100	100	100	50.001	98.00	57.50	100.00	100.00



# FORM AOC-I

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures  
(Pursuant to first proviso to sub-section (3) of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)  
**PART “A” SUBSIDIARIES**

Sr. No.	Name of Subsidiary	Forbes Lux FZCO	Forbes Lux Group AG	Forbes Lux International AG	Forbes Technosys Limited	Forbes Campbell Finance Limited	Lux CZ s.r.o.	Lux (Deutschland)GmbH	Lux Hungaria Kereskedelmi Kft
		31/12/2014	31/12/2014	31/12/2014	31/3/2015	31/3/2015	31/12/2014	31/12/2014	31/12/2014
Reporting Period of Subsidiary concerned, if different from the holding company's reporting period									
Reporting Currency and exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries									
		in S\$ In Lakhs	CHF In Lakhs	Rate	₹ In Lakhs	CHF In Lakhs	Rate	₹ In Lakhs	HUF In Lakhs
(a) Share Capital	▲ 139.64	63.37	▲ 8,849.06	AVG	63.37	▲ 8,849.06	AVG	63.37	▲ 8,849.06
(b) Reserves & Surplus	★ (49.64)	62.99	(3,126.68)	★	62.99	(3,126.68)	★	62.99	(3,126.68)
(c) Total Assets	▲ 312.63	63.59	19,879.91	63.59	19,879.91	63.59	19,879.91	63.59	19,879.91
(d) Total Liabilities	222.64	63.59	14,157.54	63.59	14,157.54	63.59	14,157.54	63.59	14,157.54
(e) Investments	-	-	-	-	-	-	-	-	-
(f) Turnover	47.07	61.19	2,880.48	61.19	2,880.48	61.19	2,880.48	61.19	2,880.48
(g) Profit before Taxation	(18.49)	60.72	(1,122.66)	60.72	(1,122.66)	60.72	(1,122.66)	60.72	(1,122.66)
(h) Provision for Taxation	-	-	-	-	-	-	-	-	-
(i) Profit After Taxation	(18.49)	60.72	(1,122.66)	60.72	(1,122.66)	60.72	(1,122.66)	60.72	(1,122.66)
(j) Proposed Dividend	-	-	-	-	-	-	-	-	-
(k) % of Shareholding		99		100		100.00	100.00	100	100

**FORM AOC-I****Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures****(Pursuant to first proviso to sub-section (3) of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)****PART "A" SUBSIDIARIES**

Sr. No.	Name of Subsidiary	Lux International AG				Lux Italia srl				Lux Norge A/s				Lux Osterreich GmbH				Lux Schweiz AG			
		31/12/2014				31/12/2014				31/12/2014				31/12/2014				31/12/2014			
	Reporting Period of Subsidiary concerned, if different from the holding company's reporting period	CHF In Lakhs	Rate	₹ In Lakhs	Euro In Lakhs	Rate	₹ In Lakhs	NOK In Lakhs	Rate	₹ In Lakhs	Euro In Lakhs	Rate	₹ In Lakhs	CHF In Lakhs	Rate	₹ In Lakhs	₹ In Lakhs				
	Reporting Currency and exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries		AVG			AVG			AVG			AVG			AVG						
(a)	Share Capital	+ 75.00	69.37	+ 5,202.73	1.10	84.96	93.46	10.00	8.53	85.33	5.00	84.96	424.80	1.00	69.37	69.37					
(b)	Reserves & Surplus	131.45	61.34	8,063.40	★ (1.72)	82.20	★ (141.38)	★ (15.52)	8.53	★ (132.43)	3.57	66.54	237.56	1.59	61.10	97.15					
(c)	Total Assets ▲	265.93	64.26	17,088.41	5.10	77.29	394.19	176.14	8.53	1,502.99	28.06	77.30	2,168.95	6.83	64.24	438.76					
(d)	Total Liabilities	59.48	64.26	3,822.28	5.72	77.29	442.11	181.66	8.53	1,550.09	19.49	77.30	1,506.59	4.24	64.21	272.24					
(e)	Investments	189.70	64.26	12,189.71	-	-	-	-	-	-	-	-	-	-	-	-					
(f)	Turnover	-	-	-	17.39	79.81	1,387.95	321.31	9.68	3,112.63	52.34	79.81	4,177.42	18.01	65.88	1,186.51					
(g)	Profit before Taxation	13.13	65.86	864.80	(0.98)	79.81	(78.22)	(68.91)	9.68	(667.50)	3.81	79.81	304.07	0.93	65.62	60.94					
(h)	Provision for Taxation	-	-	(0.17)	(0.06)	79.83	(4.79)	(18.45)	9.68	(178.77)	(0.24)	79.81	(19.18)	-	-	(0.13)					
(i)	Profit After Taxation	13.13	65.86	864.62	(1.04)	79.81	(83.01)	(50.45)	9.68	(488.73)	3.57	79.81	284.89	0.92	66.10	60.81					
(j)	Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-					
(k)	% of Shareholding		100			100			100			100			100						

# FORM AOC-I

## Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures (Pursuant to first proviso to sub-section (3) of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014) PART "A" SUBSIDIARIES

Sr. No.	Name of Subsidiary	Lux / \$/k / s.r.o.			Lux Service GmbH			Lux del Paraguay S.A.			Radiant Energy Systems Pvt. Limited	Shapoorji Pallonji Forbes Shipping Limited	Volkart Fleming Shipping & Services Limited.	Waterwings Equipments Pvt. Limited
		Euro In Lakhs	Rate	₹ In Lakhs	Euro In Lakhs	Rate	₹ In Lakhs	Pyg In Lakhs	Rate	₹ In Lakhs				
	Reporting Period of Subsidiary concerned, if different from the holding company's reporting period	31/12/2014	31/12/2014	31/12/2014	31/12/2014	31/12/2014	31/12/2014	31/12/2014	31/12/2014	31/12/2014	31/3/2015	31/3/2015	31/3/2015	31/3/2015
	Reporting Currency and exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries													
(a)	Share Capital	3.63	73.83	280.40	0.25	73.79	18.45	50,000.00	0.01	670.72	7.25	28,360.00	50.39	5.00
(b)	Reserves & Surplus	(3.18)	67.93	(245.47)	-	-	-	30,379.68	0.01	374.51	169.81	(11,140.69)	364.96	23.47
(c)	Total Assets	1.68	68.19	129.96	29.51	67.85	2,002.13	267,126.75	0.01	3,295.94	697.79	39,777.25	599.11	1,073.84
(d)	Total Liabilities	1.23	50.88	95.03	29.26	67.22	1,983.68	186,747.07	0.01	2,250.71	520.73	22,557.94	183.76	1,045.36
(e)	Investments	-	-	-	-	-	-	-	-	-	1.00	-	3.91	-
(f)	Turnover	8.92	79.88	712.06	88.07	79.81	7,029.12	304,147.43	0.01	4,372.95	741.47	8,006.26	146.02	2,040.63
(g)	Profit before Taxation	(1.50)	80.57	(119.39)	-	-	-	16,601.26	0.02	284.13	11.95	(1,612.23)	41.40	(14.37)
(h)	Provision for Taxation	0.03	83.11	2.30	-	-	-	3,830.93	0.03	109.34	4.96	11.88	11.25	4.14
(i)	Profit After Taxation	(1.52)	80.62	(121.69)	-	-	-	12,770.33	0.01	174.79	6.99	(1,624.12)	30.15	(18.51)
(j)	Proposed Dividend										-	-	-	-
(k)	% of Shareholding		100			100			50		100	25	100	100

★ Net of Debit balance of Profit & Loss Accounts.

▲ Includes Investments

● Shapoorji Pallonji Forbes Shipping Limited became Subsidiary w.e.f. 01/12/2014 by virtue of control over the composition of the Board of Directors.

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

◆ Held by Forbes Campbell Finance Limited a subsidiary of the Company.

▲ Held by Euro Forbes Limited a Subsidiary of Eureka Forbes Limited

✕ Held by Aquamal Water Solution Limited a Subsidiary of Eureka Forbes Limited

+ Held by Forbes Lux International AG, a Subsidiary of Aquamal Water Solution Limited

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

■ Held by Lux (Deutschland) GMBH, subsidiary of Lux International AG.

■ Held by Lux International A.G., subsidiary of Forbes Lux International AG.

● Held by Forbes Lux Group AG Baar, a subsidiary of Forbes Lux International AG

E4 Development & Coaching Limited ceased to be subsidiary of Eureka Forbes Limited (a subsidiary of Forbes & Company Limited) 1/4/2014

Campbell Properties & Hospitality Services Limited is incorporated as a wholly owned subsidiary of the Forbes & Company Limited w.e.f. 31/12/2014

LIAG trading & Investment Limited, Dubai - incorporated as a wholly owned subsidiary of Lux International A G (a stepdown subsidiary of Eureka Forbes Limited) w.e.f. 4/2/2015



## Part "B" : Associates and Joint Ventures (JV)

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	Aquaginis Technologies Private Limited	Edumetry INC	AMC Cookware PTE Limited	Euro Life Regen Private Limited	The Svadeshi Mills Company Limited	Euro P2P Direct (Thailand) Company Limited	Forbes Container Lines Pte Ltd.	Nuevo Consultancy Services Limited	Forbesline Shipping Services LLC
1	Latest Audited Balance sheet Date	31/03/2015	31/03/2015	31/03/2015	31/03/2015	31/03/2015	31/03/2015	31/03/2015	31/03/2015	31/03/2015	31/12/2014	31/03/2015	31/03/2015	31/03/2015
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	2,500	★ 5,000	5,00,000	17,69,430	★ 19,596	8,64,960	58,849	▲ 147
	Amount of Investment (Rs.)	50,00,000.00	2,62,50,000.00	3,50,00,000.00	50,000.00	2,92,78,670.00	35,48,000.00	50,000.00	50,00,000	2,85,25,799.00	26,67,713.00	2,71,25,500.00	5,88,490.00	46,09,044.00
	Extent of Holding (%)	50%	50%	50%	50%	50%	50%	50%	50%	23%	49%	29.56%	49%	49%
3	Description of how there is significant influence	Associate, JV	Associate, JV	Associate, JV	Associate, JV	Associate, JV	Associate, JV	Associate, JV	Associate, JV	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	NA	NA
5	Networth attributable to shareholding as per latest audited Balance Sheet (Rs.)	3,11,38,328.00	6,14,048.00	9,43,13,761.00	(2,27,793.00)	1,79,98,073.00	(3,98,11,228.80)	14,10,85,133.00	(29,57,477.00)	●●	(21,43,11,801.00)		(9,37,34,079.00)	
6	Profit/Loss for the year													
	(1) Considered in Consolidation (Rs.)	1,30,12,688.50	2,19,817.00	3,37,93,952.50	(25,056.50)	(46,25,775.00)	(5,56,533.00)	1,44,06,227.00	(18,46,789.00)	●●●	(2,04,27,641.00)	(3,55,07,589.27)	(67,99,281.00)	(91,19,373.42)
	(2) Not Considered in Consolidation (Rs.)	-	-	-	-	-	-	-	-	-	-	-	-	-

★ Held by Eureka Forbes Limited a Subsidiary of Forbes &amp; Company Limited

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

▲ Held by Forbes Container Line Pte Limited, an associate of Forbes &amp; Company Limited

●● Assets of Company including assets of Coromandel 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.

Nypro Forbes Product Limited, a Joint Venture of Forbes Campbell Finance Limited ceased to be joint venture w.e.f. 24/02/2015, due to sale of whole investment by Forbes Campbell Finance Limited which is a subsidiary of Forbes &amp; Company Limited

For and on behalf of the Board of Directors

Shapoor P. Mistry  
Chairman

Mumbai : 26th May, 2015

## Annexure 'II'

### 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 26, 2015.

## Annexure 'III'

### NOMINATION AND REMUNERATION POLICY

#### REGULATORY FRAMEWORK

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

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

##### II LISTING AGREEMENT

Clause 49 IV (B) provides that role of Nomination and Remuneration Committee shall, inter-alia, include the following:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity; and
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

49 III (E) 5 provides that the appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.

#### DEFINITIONS & INTERPRETATION

In this Policy unless the context otherwise requires:

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

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

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

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

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

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

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

## INTERPRETATION

- i. The provisions of the Act and the Listing Agreement 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 Listing Agreement, the provisions of Act and/or the Listing Agreement shall prevail.
- ii. The capitalized words not specifically defined in the Policy shall have the same meaning as under the Act or the Listing Agreement 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 26, 2015.

## Annexure 'IV'

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

#### 1. Ratio of the remuneration of each director to the median remuneration of the employees<sup>1</sup> of the Company for the financial year ended March 31, 2015.

Non-Executive Directors of the Board, Members of the Audit Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee (only Members who are Independent Directors) were paid sitting fees of Rs. 30,000 per meeting during the financial year ended March 31, 2015 as follows:

Director	Sitting Fees (Rs in lakhs)	Ratio to Median (No. of times to Median Salary)
<b>Non- Executive Directors</b>		
Mr. Shapoor P. Mistry	1.50	0.36 : 1
Mr. S.L.Goklaney	0.90	0.21: 1
Mr. T. R. Doongaji	4.80	1.14: 1
Mr. Kaiwan D. Kalyaniwalla	5.10	1.21: 1
Mr. D. Sivanandhan	2.70	0.64: 1
Mr. Jimmy J. Parakh	0.60	0.14: 1
Mr. Jai L. Mavani	1.50	0.36: 1
Ms. Ameeta Chatterjee	2.70	0.64: 1
Mr. Kannan Dasaratharaman	2.10	0.50: 1

#### Remuneration to Executive Director

Director	(Rs in lakhs)	Ratio to Median (No. of times to Median Salary)
Mr. Ashok Barat	129.67	30.80: 1

#### 2. Percentage increase in remuneration of KMPs in the financial year.

Executive Director, Chief Financial Officer and Company Secretary	% increase on Fixed Pay	% increase on Cost To Company
Mr. Ashok Barat, Managing Director	7.2%	7.4%
Ms. Sunetra Ganesan, Chief Financial Officer	18.5%	12.7%
Mr. Pankaj Khattar	12.9%	5.8%.

#### 3. Percentage increase in the median remuneration of employees in the financial 2014-2015.

The increase in median remuneration was 8%. The range of increase was from 6% to 18%. Some underperforming employees, were not given an increase and were either separated or put on a Performance Improvement Plan.

#### 4. Number of permanent employees on the rolls of Company as on March 31, 2015 were 597 and in the previous year were 640.

#### 5. Explanation on the relationship between average increase in remuneration and company performance.

The Average increase in remuneration of all employees excluding KMPs was 6.91%.

The Aggregate Remuneration of KMPs was Rs. 250.10 Lacs. The Average increase in remuneration of KMPs was 8.61%.

The increase in remuneration is based on the Company's performance, individual performance, inflation, prevailing industry trends and benchmarks.

#### 6. Comparison of the remuneration of the KMP against the performance of the company.

Each KMP's remuneration is based on his qualification, experience, nature of job, industry benchmark, earlier salary and many other factors, comparison of one against the other is not feasible. Overall performance of the Company has been satisfactory.

<sup>1</sup>Employees for the purpose of this annexure means only permanent employees (excluding permanent bargainable employees). The annual wage increments of permanent bargainable employees are governed by settlement agreements which are held every 5-8 years.



7. Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous year.

Date	Closing Market Price in Rs.	EPS in Rs	P/E ratio	Market Capitalisation Rs. Crores	% Change
March 31, 2014	Rs. 500.00	Rs. (23.03)	NA*	644.93	NA
March 31, 2015	Rs. 1726.00	Rs. (0.45)	NA*	2226.30	245.20

\* Not applicable

The Company was incorporated on November 18, 1919 to take over assets and liabilities of 'The Gokak Water Power and Manufacturing Company Ltd' as a going concern. The present share capital of the Company comprises of shares subscribed by the Promoters in year 1919, shares issued for consideration other than cash in year 1954, various Rights issues and bonus shares over the years, shares issued to the shareholders of the transferor companies upon amalgamation/mergers with the Company. As such the information relating to percentage increase/ decrease in the market price of the shares of the Company in comparison to the rate at which the shares were last offered to public, is not applicable.

8. 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 Managing Director) was Rs. 6.9%. The remuneration of the Managing Director was increased by 7.4%. The increase in remuneration is based on the Company's performance, individual performance, inflation, prevailing industry trends and benchmarks.

9. Comparison of the each remuneration of Managing Director, Chief Financial Officer and Company Secretary against the performance of the company.

Rs. In Lacs

Particulars	Mr. Ashok Barat, Managing Director	Ms. Sunetra Ganesan, Chief Financial Officer	Mr. Pankaj Khattar, Company Secretary
Remuneration in FY 2014-15	129.67	79.15	41.28
Revenue from Operations and Other Income	29355	29355	29355
Remuneration as % of Revenue	0.44%	0.27%	0.14%
Earnings Before Interest, Depreciation & Taxation (EBIDT)	1547	1547	1547
Remuneration as % of EBIT	8.38%	5.12%	2.67%

10. The key parameters for any variable component of remuneration availed by the directors.

The member have at the Annual General Meeting held on August 2, 2013 approved payment of commission to the non-executive directors within the ceiling of 1% of net profits of the company as computed under the applicable provisions of the Act. The Company has not paid any commission to any of the Directors during FY 2014-15.

11. No employee receive remuneration in excess of the highest paid director during the year

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

The statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary.

For and on behalf of the Board of Directors

**Shapoor P. Mistry**  
Chairman

Mumbai, May 26, 2015.

**FORM NO - MR.3****Annexure 'V'****SECRETARIAL AUDIT REPORT**For The Financial Year Ended 31<sup>st</sup> March 2015

[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 on 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 31<sup>st</sup> March, 2015 ('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 31<sup>st</sup> March, 2015 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 and External Commercial Borrowings and Overseas Direct Investment (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 Takeover) Regulations, 2011
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not Applicable to the Company during the Audit Period)
  - (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 28 October 2014 (Not Applicable to the Company 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 to the Company during the Audit Period); and

- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not Applicable to the Company during the Audit Period);

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (Not notified hence not applicable to the Company during the audit period).
- (ii) The Listing Agreements entered into by the Company with stock exchanges.

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

We further report that

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

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

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

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

We further report that during the audit period;

The Members of the Company had accorded their consent at the 95th Annual General Meeting held on 6th August, 2014 of the Company under section 180(1) (c) of the Act for the sum not exceeding of Rs. 500/- Crores.

The Members of the Company had accorded their consent at the 95th Annual General Meeting held on 6th August, 2014 of the Company under section 42 and 71 of the Act to raise funds through Private Placement of Unsecured or Secured, Listed or Un-listed, Non-Convertible Bonds/Debentures up to Rs. 50/- Crores.

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

**Makarand Joshi**  
Partner  
FCS No. 5533  
CPNo. 3662

Place: Mumbai  
Date: 25<sup>th</sup> May, 2015



## Annexure 'VI'

**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 the Directors' Report for the year ended March 31, 2015****(A) Conservation of Energy:**

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

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

1. Companywide energy Kaizen initiated through employee participation.
2. Conventional lighting arrangements replaced with LED lights.
3. Electrical motors & drive equipment optimization achieved.
4. Compressors airlines consolidation to reduce air consumption.
5. Machines having independent filtration system relocated with centralized filtration system.

**(b) ADDITIONAL INVESTMENTS PROPOSALS:**

1. Natural light through transparent roof sheets

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

1. The Company's operations involve low energy consumption. Efforts to conserve and optimize use of energy through operational methods will continue.
2. Saving of approx. 1,40,000 Kwh on an annualised basis due to the measure taken at (a)(2), a(5) & b(1) above resulting in saving of Rs. 14.50 Lakhs p.a.

(ii) Steps taken for utilizing alternate sources of energy: None

(iii) Capital investment on energy conservation equipment: Nil

**(B) Technology Absorption:**

1. Efforts, in brief, made towards technology Absorption
  - a) High performance drill geometries adopted for custom Tools in solid carbide tools product segment.
  - b) Automation in marking business in laser integrated solutions.
  - c) Automation technology for creating solution in pick & place application, material handling automation, vision inspection system
  - d) kaizens implementation companywide through CII program
  - e) SMED & my Machine & OEE concept implemented
2. Benefits derived as result of the above
  - a) Better spread product basket & cutting edge product available.
  - b) Extension of market & New customer acquisition.
  - c) Extension of market & New customer acquisition
  - d) Cost reduction & quality improvement & improved morale
  - e) Better machine utilization & reduction in lead time

3. In case of import of technology (imported during the last 3 years reckoned from the beginning of the financial year) the following information may be furnished.

- |  |   |                        |
|--|---|------------------------|
| <ol style="list-style-type: none"> <li>a) Technology imported</li> <li>b) Year of import</li> <li>c) Has technology been fully absorbed</li> <li>d) If not fully absorbed, areas where this has not taken place, reasons thereof and future plan of action.</li> </ol> | } | Nil and Not Applicable |
|--|---|------------------------|

**(C) Research and Development (R & D)**

1. Specific in which R & D Carried
  - a) Development of Application specific tool geometries for High performance carbide drills for deep hole drilling
  - b) Hard Part machining tools development
  - c) Cryogenic treatment for HSS Taps
  - d) Vision system sorting machines
2. Benefits derived as a result of the above R & D:
  - a) New products developed by R&D have been commercialized will yield better market share in cutting tools Business
  - b) Improved tool performance & reliability
  - c) Vision system sorting will give new line of business in CBG
3. Future course of action: (i) Lateral deployment for economies of scales  
(ii) Introduction of product & expansion of basket into automation
4. The expenditure incurred on Research and Development: Rs.0.80 Lakhs

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

1	Export of goods calculated on FOB basis	1,846.86
2	Commission and other Services	88.49
3	Freight and Insurance recoveries	24.92
<b>Total</b>		<b>1,960.27</b>

**(b) Foreign exchange outgo:**

1	Imports calculated on CIF basis - Raw material	1455.19
2	Imports calculated on CIF basis - Components	1207.43
3	Imports calculated on CIF basis - stores, spares and tools	58.95
4	Imports calculated on CIF basis - purchase for re-sale	128.72
5	Imports calculated on CIF basis - Capital Goods	-
6	Commission to overseas agents	30.59
7	Foreign travel	36.96
8	Royalty	-
9	Others	43.99
<b>Total</b>		<b>2,961.83</b>

For and on behalf of the Board of Directors

**Shapoor P. Mistry**  
Chairman

Mumbai, May 26, 2015.

**Form No. MGT-9**  
**EXTRACT OF ANNUAL REPORT**

**As at March 31, 2015**

[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)	<b>CIN</b>	L17110MH1919PLC000628
(ii)	<b>Date of Incorporation</b>	November 18, 1919
(iii)	<b>Name of the Company</b>	FORBES & COMPANY LTD.
(iv)	<b>Category</b>	Company Limited by Shares
(v)	<b>Sub-category of the Company</b>	Indian Non-Government Company
(vi)	<b>Address of the Registered Office and Contact Details</b>	Forbes' Building, Charanjit Rai Marg, Fort Mumbai 400 001 Telephone No : +91 22 61358900 Fax No: +91 22 61358901 E-mail: investors.relations@forbes.co.in Website: www.forbes.co.in
(vii)	<b>Whether Listed or Not</b>	Yes
(viii)	<b>Name, Address and Contact Details of Registrar and Transfer Agent, if any</b>	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 66568484 Fax No: 91 22 66568494 E-mail: csg-unit@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:

<b>Name/Description of Main Products/Services</b>	<b>NIC Code of Product/Service</b>	<b>% to total turnover of the Company</b>
<b>Threading Tools and Carbide Tools</b>	<b>28221 25939</b>	<b>24% 11%</b>
<b>Ocean Freight Forwarding Container Freight Station</b>	<b>50120 52109</b>	<b>19% 15%</b>

## 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	Forbes Bumi Armada Offshore Ltd. Forbes' Building, Charanjit Rai Marg, Fort Mumbai-400 001.	U11102MH2010PLC209600	Subsidiary	50.001	2(87)
8	Forbes Container Lines Pte.Ltd. 19, Keppel Road, #03-08, Jit Poh Building, Singapore 089058	Not Applicable	Associate	28.99	2(6)
9	The Svadeshi Mills Co. Ltd. (Under Liquidation) Svadeshi Mills Compound Sion, Mumbai 400 022	U99999MH1886PLC000074	Associate	22.70	2(6)
10	Nuevo Consultancy Services Ltd. (Formerly Forbes Infotainment Ltd) Shapoorji Pallonji Centre, 41/44, Minoo Desai Marg, Colaba, Mumbai 400 005	U7200MH2003PLC139672	Associate	49	2(6)
11	EFL Mauritius Ltd 4th Floor, Raffles Tower, 19,Cybercity Ebene. Mauritius	Not Applicable	Subsidiary	100	2(87)
12	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)
13	Euro Forbes Ltd. 409, City Tower 1, Sheikh Zayed Road, Dubai, United Arab Emirates	Not Applicable	Subsidiary	100	2(87)

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
14	Forbes Bumi Armada Ltd Forbes' Building, Charanjit Rai Marg, Fort, Mumbai 400 001	U35100MH2006PLC159958	Subsidiary	51	2(87)
15	Forbes Campbell Services Ltd. Cassinath Building, A K Nayak Marg, Fort, Mumbai 400 001	U74140MH1975PLC018077	Subsidiary	98	2(87)
16	Forbes Edumetry Ltd.(Under Liquidation) Forbes' Building, Charanjit Rai Marg, Fort, Mumbai 400 001	U72900MH2005PLC157375	Subsidiary	57.50	2(87)
17	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)
18	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)
19	Forbes Lux FZCO LOB 17, Office 207, PO Box 261698 Jebel Ali, Dubai, United Arab Emirates	Not Applicable	Subsidiary	99.42	2(87)
20	Forbes Lux Group AG Blickensdorferstrasse 21b 6340 Baar Switzerland	Not Applicable	Subsidiary	100	2(87)
21	Forbes Lux International AG Blickensdorferstrasse 21b 6340 Baar Switzerland	Not Applicable	Subsidiary	100	2(87)
22	Lux (Deutschland) GmbH Petersberger Strasse 21 36037 Fulda, Germany	Not Applicable	Subsidiary	100	2(87)
23	Lux( CZ), s.r.o Brunclikova 17/1875 16200 Praha 6, Czech Republic	Not Applicable	Subsidiary	100	2(87)
24	Lux Hungaria Kereskedelmi.Kft Javor u. 5/a 1145 Budapest, Hungary	Not Applicable	Subsidiary	100	2(87)
25	Lux International AG Blickensdorferstrasse 21b 6340 Baar Switzerland	Not Applicable	Subsidiary	100	2(87)
26	Lux Italia s.r.l Viale Colleoni, 5 Palazzo Taurus Ingresso 3 20041 Agrate Brianza MI, Italy	Not Applicable	Subsidiary	100	2(87)

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
27	Lux Norge AS Sandstuveien 70 0680 Oslo, Norway	Not Applicable	Subsidiary	100	2(87)
28	Lux Osterreich GmbH Concorde Park, 1/B3/Top 31 2320 Schwechat, Austria	Not Applicable	Subsidiary	100	2(87)
29	Lux Schweiz AG Blickensdorferstrasse 21b 6340 Baar, Switzerland	Not Applicable	Subsidiary	100	2(87)
30	Lux Service GmbH Petersberger Strasse 21 36037 Fulda, Germany	Not Applicable	Subsidiary	100	2(87)
31	Lux / Sk / s.r.o Svrca 25 841 04 Bratislava, Slovakia	Not Applicable	Subsidiary	100	2(87)
32	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)
33	Radiant Energy Systems Pvt.Ltd. Girija,5, Sitabaug,Colony, Vitthalwadi Road, Pune 411 030	U31200MH1988PTC045887	Subsidiary	100	2(87)
34	Shapoorji Pallonji Forbes Shipping Ltd Forbes' Building, Charanjit Rai Marg, Fort, Mumbai 400 001	U61100MH2006PLC163149	Subsidiary	25	2(87)(i)
35	Waterwings Equipments Pvt.Ltd D-8/10,Popular Nagar ,Warje, Pune- 411 058	U29299PN2006PTC128460	Subsidiary	100	2(87)
36	Aquadiagnostics Water Research & Technology Centre Limited No.143, C-4, Bommasandra Industrial Area Off Hosur Road,Anekal Taluk, Bangalore 560 099	U73100KA2008PLC045994	Subsidiary	100	2(87)
37	Aquamall Water Solutions Ltd Flat No. 20, 1st Floor, Soni Business Complex, Prasanthi Nagar, Kukatpally, Hyderabad 500 072	U29219TG1980PLC002851	Subsidiary	100	2(87)
38	Euro P2P Direct (Thailand) Co. Ltd 98/120-121, Nuanchan Road, Nuanchan, Khet Bungkum, Bangkok 10230. Thailand	Not Applicable	Associate	49	2(6)
39	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)
40	Forbesline Shipping Services LLC Post Box No. 127224, Office 218, Al Ain Centre, Dubai, United Arab Emirates	Not Applicable	Associate	49*	2(6)
41	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)

\*Held by Forbes Container Line Pte Ltd

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
42	Forbes Aquatech Ltd. 36/4, Annexe Building, 4 <sup>th</sup> Cross, Raghavendra Nagar, Hrn Layout, Hennur Ring Road, Bangalore, Karnataka, 560 043	U28122KA2003PLC032492	Associate	50	2(6)
43	Forbes Concept Hospitality Services Pvt Ltd. B1/B2, 7 <sup>th</sup> Floor, 701, Marathon Innova, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013.	U55101MH2006PTC162855	Associate	50	2(6)
44	Infinite Water Solutions Pvt Ltd B1/B2, 7 <sup>th</sup> Floor, 701, Marathon Innova, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013.	U749999MH2008PTC180918	Associate	50	2(6)
45	Forbes G4S Solutions Pvt Ltd C-16, Community Centre, Janakpuri, Behind Janak Cinema, New Delhi 110058	U52100DL2010PTC206267	Associate	50	2(6)
46	Aqualgnis Technologies Pvt Ltd Khasra No. 3946,3961 & 3962 Lal Tappar Industrial Area, Majri Grant, Dehradun - 248140	U31908UR2012PTC000450	Associate	50	2(6)
47	Edumetry INC No. 1750, Tysons Building, Site 400, Mclean, VA 22102-4231	Not Applicable	Associate	50	2(6)
48	AMC Cookware (Pty) Ltd 4, Castor Road, Lansdowne, PO Box. 24200, 7779 Cape Town, South Africa	Not Applicable	Associate	50	2(6)
49	Eurolife Regen Pvt Ltd 17 <sup>th</sup> Floor, Hoechst House, Nariman Point, Mumbai 400 021	U73100MH2013PTC251249	Associate	50	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. 01.04.2014				No. of Shares held at the end of the year i.e. 31.03.2015				% 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
<b>Sub-Total(A)(1)</b>	<b>95,25,691</b>	<b>0</b>	<b>95,25,691</b>	<b>73.85</b>	<b>95,25,691</b>	<b>0</b>	<b>95,25,691</b>	<b>73.85</b>	<b>0.00</b>

Category of Shareholders	No. of Shares held at beginning of the year i.e. 01.04.2014				No. of Shares held at the end of the year i.e. 31.03.2015				% Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(2) Foreign</b>									
(a) Individuals(Non-Resident Individuals/Foreign Individuals)	0	0	0	0	0	0	0	0	0
(b) Other Individuals	0	0	0	0	0	0	0	0	0
(c) Bodies Corporates	0	0	0	0	0	0	0	0	0
(d) Financial Institutions/Banks	0	0	0	0	0	0	0	0	0
(e) Any Other(Specify)	0	0	0	0	0	0	0	0	0
Sub-total (A) (2)	0	0	0	0	0	0	0	0	0
<b>Total Shareholding of Promoter and Promoters Group(A)=(A)(1)+(A)(2)</b>	<b>95,25,691</b>	<b>0</b>	<b>95,25,691</b>	<b>73.85</b>	<b>95,25,691</b>	<b>0</b>	<b>95,25,691</b>	<b>73.85</b>	<b>0</b>
<b>(B) Public Shareholding</b>									
<b>(1) Institutions</b>									
(a) Mutual Funds/UTI	173	250	423	0	173	250	423	0.00	0
(b) Financial Institution/Banks	11,967	7,288	19,255	0.15	11,857	7,288	19,145	0.15	0
(c) Central Government/State Government	30,363	79,980	1,10,343	0.86	30,363	79,980	1,10,343	0.86	0
(d) Venture Capital Funds	0	0	0	0	0	0	0	0	0
(e) Insurance Companies	0	500	500	0	0	500	500	0	0
(f) Foreign Institutional Investor	14,94,624	50	14,94,674	11.59	12,10,420	50	12,10,470	9.38	-2.20
(g) Foreign Venture Capital Investor	0	0	0	0	0	0	0	0	0
(h) Foreign Portfolio Investor (Corporate)	0	0	0	0	3,46,369	0	3,46,369	2.69	2.69
(i) Any Other (Specify)	0	0	0	0	0	0	0	0	0
<b>Sub total (B)(1)</b>	<b>15,37,127</b>	<b>88,068</b>	<b>16,25,195</b>	<b>12.60</b>	<b>15,99,182</b>	<b>88,068</b>	<b>16,87,250</b>	<b>13.08</b>	<b>0.48</b>
<b>(2) Non-Institution</b>									
(a) Bodies Corporate	1,93,919	12,237	2,06,156	1.60	1,31,659	12,221	1,43,880	1.12	-0.48
(b) Individuals									
i. Individual Shareholders, holding Nominal Share Capital upto Rs.1 Lakh	7,70,588	4,92,136	12,62,724	9.79	7,05,751	4,75,665	11,81,416	9.16	-0.63
ii. Individual Shareholders, holding Nominal Share Capital in excess of Rs.1 Lakh	2,29,880	0	2,29,880	1.78	3,11,409	0	3,11,409	2.41	0.63
(c) Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
(d) Any Other (Specify)	0	0	0	0	0	0	0	0	0
(i) Trust	740	0	740	0.01	740	0	740	0.01	0
(ii) OCBs/Foreign Co's	46650	1580	48,230	0.37	46650	1,580	48,230	0.37	0
<b>Sub-total (B)(2)</b>	<b>12,41,777</b>	<b>5,05,953</b>	<b>17,47,730</b>	<b>13.55</b>	<b>11,96,209</b>	<b>4,89,466</b>	<b>16,85,675</b>	<b>13.07</b>	<b>-0.48</b>
Total Public Shareholding (B)=(B)(1)+(B)(2)	<b>27,78,904</b>	<b>5,94,021</b>	<b>33,72,925</b>	<b>26.15</b>	<b>27,95,391</b>	<b>5,77,534</b>	<b>33,72,925</b>	<b>26.15</b>	<b>0</b>
<b>TOTAL = (A)+(B)</b>	<b>1,23,04,595</b>	<b>5,94,021</b>	<b>1,28,98,616</b>	<b>100.00</b>	<b>1,23,21,082</b>	<b>5,77,534</b>	<b>1,28,98,616</b>	<b>100.00</b>	<b>0</b>
<b>(C) Shares held by Custodians and against which Depository Receipts have been issued</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>1,23,04,595</b>	<b>5,94,021</b>	<b>1,28,98,616</b>	<b>100.00</b>	<b>1,23,21,082</b>	<b>5,77,534</b>	<b>1,28,98,616</b>	<b>100.00</b>	<b>0</b>

**ii) Shareholding Pattern of Promoters:**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year i.e. 01.04.2014			Shareholding at the end of the year i.e. 31.03.2015			% 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 Ltd	93,59,293	72.56	—	93,59,293	72.56	—	No Change
2	Forbes Campbell Finance Ltd	1,66,398	1.29	—	1,66,398	1.29	—	No Change
	<b>Total</b>	<b>95,25,691</b>	<b>73.85</b>	<b>—</b>	<b>95,25,691</b>	<b>73.85</b>	<b>—</b>	<b>No Change</b>

**(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 01.04.2014 to 31.03.2015			
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 the Shareholder	Date	Reason	Shareholding at the beginning of the year 01.04.2014		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	1-Apr-2014	At the beginning of the year	11,48,255	8.90	11,48,255	8.90
	31-Mar-2015	At the end of the year	0	0.00	11,48,255	8.90
Antara India Evergreen Fund Ltd	1-Apr-2014	At the beginning of the year	3,46,369	2.69	3,46,369	2.69
	31-Mar-2015	At the end of the year	0	0.00	3,46,369	2.69
Pramod Premchand Shah*	1-Apr-2014	At the beginning of the year	86,721	0.67	86,721	0.67
	11-Apr-2014	Increase	279	0.00	87,000	0.67
	9-May-2014	Increase	5,034	0.04	92,034	0.71
	13-Jun-2014	Decrease	-58,045	-0.45	33,989	0.26
	30-Jun-2014	Decrease	-19,481	-0.15	14,508	0.11
	5-Sep-2014	Decrease	-2,064	-0.02	12,444	0.10
	12-Sep-2014	Decrease	-340	0.00	12,104	0.09
	19-Sep-2014	Decrease	-641	0.00	11,463	0.09
	30-Sep-2014	Decrease	-278	0.00	11,185	0.09
	31-Mar-2015	At the end of the year	0	0.00	11,185	0.09



Name of the Shareholder	Date	Reason	Shareholding at the beginning of the year 01.04.2014		Cumulative Shareholding during the year	
			No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
Khandwala Fincap Pvt. Ltd.*	1-Apr-2014	At the beginning of the year	83,345	0.65	83,345	0.65
	25-Apr-2014	Decrease	-33,345	-0.26	50,000	0.39
	2-May-2014	Decrease	-16,500	-0.13	33,500	0.26
	9-May-2014	Decrease	-13,500	-0.10	20,000	0.16
	16-May-2014	Decrease	-2,000	-0.02	18,000	0.14
	23-May-2014	Decrease	-3,493	-0.03	14,507	0.11
	30-May-2014	Decrease	-14,507	-0.11	0	0.00
	31-Mar-2015	At the end of the year	0	0.00	0	0.00
Governor of Kerala	1-Apr-2014	At the beginning of the year	79,980	0.62	79,980	0.62
	31-Mar-2015	At the end of the year	0	0.00	79,980	0.62
Yonkers Finance Corporation Limited	1-Apr-2014	At the beginning of the year	46,650	0.36	46,650	0.36
	31-Mar-2015	At the end of the year	0	0.00	46,650	0.36
A & N Ventures Private Limited	1-Apr-2014	At the beginning of the year	42,630	0.33	42,630	0.33
	31-Mar-2015	At the end of the year	0	0.00	42,630	0.33
Kerala State Industrial Development Corporation	1-Apr-2014	At the beginning of the year	30,363	0.24	30,363	0.24
	31-Mar-2015	At the end of the year	0	0.00	30,363	0.24
Sharda Goyal *	1-Apr-2014	At the beginning of the year	25,000	0.19	25,000	0.19
	31-Mar-2015	At the end of the year	0	0.00	25,000	0.19
Runner Marketing Pvt Ltd *	1-Apr-2014	At the beginning of the year	25,000	0.19	25,000	0.19
	31-Mar-2015	At the end of the year	0	0.00	25,000	0.19
Mangal Bhanshali #	1-Apr-2014	At the beginning of year	0	0.00	0	0.00
	13-Jun-2014	Increase	60,000	0.47	60,000	0.47
	20-Jun-2014	Increase	6,000	0.05	66,000	0.51
	4-Jul-2014	Increase	9,400	0.07	75,400	0.58
	31-Mar-2015	At the end of the year	0	0.00	75,400	0.58
Morgan Stanley Asia (Singapore) Pte. #	1-Apr-2014	At the beginning of year	0	0.00	0	0.00
	19-Dec-2014	Increase	32,560	0.25	32,560	0.25
	16-Jan-2015	Increase	2,265	0.02	34,825	0.27
	23-Jan-2015	Increase	9,500	0.07	44,325	0.34
	30-Jan-2015	Increase	10,098	0.08	54,423	0.42
	6-Feb-2015	Increase	4,200	0.03	58,623	0.45
	13-Feb-2015	Increase	3,542	0.03	62,165	0.48
	31-Mar-2015	At the end of the year	0	0.00	62,165	0.48

Name of the Shareholder	Date	Reason	Shareholding at the beginning of the year 01.04.2014		Cumulative Shareholding during the year	
			No.of Shares	% of total Shares of the company	No.of Shares	% of total Shares of the company
Rina Sandeep Shah #	1-Apr-2014	At the beginning of the year	14,000	0.11	14,000	0.11
	4-Apr-2014	Increase	180	0.00	14,180	0.11
	11-Apr-2014	Increase	2,320	0.02	16,500	0.13
	2-May-2014	Increase	35,464	0.27	51,964	0.40
	9-May-2014	Increase	4,500	0.03	56,464	0.44
	16-May-2014	Increase	5,706	0.04	62,170	0.48
	23-May-2014	Increase	640	0.00	62,810	0.49
	30-May-2014	Decrease	-5	0.00	62,805	0.49
	6-Jun-2014	Decrease	-1,531	-0.01	61,274	0.48
	13-Jun-2014	Increase	1,309	0.01	62,583	0.49
	20-Jun-2014	Decrease	-2,928	-0.02	59,655	0.46
	30-Jun-2014	Decrease	-4,155	-0.03	55,500	0.43
	4-Jul-2014	Increase	4,498	0.03	59,998	0.47
	11-Jul-2014	Decrease	-68	0.00	59,930	0.46
	18-Jul-2014	Increase	778	0.01	60,708	0.47
	25-Jul-2014	Increase	333	0.00	61,041	0.47
	30-Jul-2014	Increase	215	0.00	61,256	0.47
	1-Aug-2014	Increase	271	0.00	61,527	0.48
	6-Aug-2014	Decrease	-45	0.00	61,482	0.48
	8-Aug-2014	Increase	23	0.00	61,505	0.48
	15-Aug-2014	Increase	109	0.00	61,614	0.48
	22-Aug-2014	Decrease	-1,203	-0.01	60,411	0.47
	29-Aug-2014	Decrease	-1,660	-0.01	58,751	0.46
	5-Sep-2014	Decrease	-2,216	-0.02	56,535	0.44
	12-Sep-2014	Decrease	-10	0.00	56,525	0.44
	31-Mar-2015	At the end of the year	0	0.00	56,525	0.44
Akash Bhanshali #	1-Apr-2014	At the beginning of year	0	0.00	0	0.00
	17-Oct-2014	Increase	44,700	0.35	44,700	0.35
	31-Mar-2015	At the end of the year	0	0.00	44,700	0.35

\* Ceased to be in the list of top 10 as on 31.03.2015. The same is reflected above since the shareholder was one of the top 10 shareholders as on 1.04.2014.

# Not in the list of top 10 shareholders as 1.04.2014. The same is reflected above since the shareholder was one of the top 10 shareholders as on 31.03.2015.

## 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 held shares in the Company at the beginning of the year			
2	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	None of the Directors had any transaction in the shares of the Company during the year			
3	At the End of the year	None of the Directors 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			
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
(i) Principal Amount	1,38,76,56,729	10,51,23,929	-	1,49,27,80,658
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	32,58,870	-	-	32,58,870
(iv) Premium accrued but not due on NCD	2,57,25,052	-	-	2,57,25,052
(v) Cash Credit utilization	1,08,44,644	-	-	1,08,44,644
<b>Total (i+ii+iii+iv+v)</b>	<b>1,42,74,85,295</b>	<b>10,51,23,929</b>	<b>-</b>	<b>1,53,26,09,224</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	37,75,57,488	1,90,00,00,000	-	2,27,75,57,488
Reduction	19,41,86,725	1,85,31,84,963	-	2,04,73,71,687
<b>Net Change</b>	<b>18,33,70,764</b>	<b>4,68,15,037</b>	<b>-</b>	<b>23,01,85,801</b>
<b>Indebtedness at the end of the financial year</b>				
(i) Principal Amount	1,57,10,27,493	15,19,38,966	-	1,72,29,66,459
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	20,67,811	-	-	20,67,811
(iv) Premium accrued but not due on NCD	4,98,01,062	-	-	4,98,01,062
(v) Cash Credit Utilization	55,287	-	-	55,287
<b>Total (i+ii+iii+iv+v)</b>	<b>1,62,29,51,653</b>	<b>15,19,38,966</b>	<b>-</b>	<b>1,77,48,90,619</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Rupees

SI No	Particulars of Remuneration	Name of the Managing Director
		<b>Mr. Ashok Barat</b>
1	Gross salary	
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	1,17,34,096
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	99,600
	(c) Profits in lieu of Salary u/s 17(3) of the Income Tax Act, 1961	0
2	Stock Option	0
3	Sweat Equity	0
4	Commission	
	-as % of Profit	0
	-others, specify	0
5	Others, please specify	0
	Total (A)	1,18,33,696
	Ceiling as per the Companies Act, 2013	1,20,00,000*

\*The remuneration was approved by the members in the Annual General Meeting held on August 2, 2013 in conformity with the then applicable statutory provisions and as such the ceiling is not applicable.

### B. Remuneration to other Directors:

Sr. No.	Particulars of Remuneration	Fees for attending Board/ Committee Meetings	Commission	Others, please specify	Total
<b>1</b>	<b>Independent Directors</b>				
	Mr. T. R. Doongaji	4,80,000	-	-	4,80,000
	Mr. Kaiwan D. Kalyaniwalla	5,10,000	-	-	5,10,000
	Mr. D. Sivanandhan	2,70,000	-	-	2,70,000
	Ms. Ameeta Chatterjee	2,70,000	-	-	2,70,000
	Mr. Kannan Dasartharaman	2,10,000	-	-	2,10,000
	<b>Total (1)</b>	<b>17,40,000</b>			<b>17,40,000</b>
<b>2</b>	<b>Other Non Executive Directors</b>				
	Mr. Shapoor P. Mistry	1,50,000	-	-	1,50,000
	Mr. S. L. Goklaney	90,000	-	-	90,000
	Mr. Jimmy J. Parakh	60,000	-	-	60,000
	Mr. Jai L. Mavani	1,50,000	-	-	1,50,000
	<b>Total (2)</b>	<b>4,50,000</b>	-	-	<b>4,50,000</b>
	<b>Total (B)=(1+2)</b>	<b>21,90,000</b>	-	-	<b>21,90,000</b>
	Total Managerial Remuneration	Nil	-	-	Nil
	Overall Ceiling as per the Companies Act, 2013				NA#

#During the year under review the Company has not made any profits on a standalone basis and hence it is not applicable.

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

Sr. No	Particulars of Remuneration	Key Managerial Personnel		
		Chief Financial Officer	Company Secretary	Total
		Ms. Sunetra Ganesan	Mr. Pankaj Khattar	
1	Gross Salary			
	(a) Salary as per provision contained in Section 17 (1) of the Income tax Act, 1961	73,72,576	40,44,680	1,14,17,256
	(b) Value of perquisites u/s 17(2) Income tax Act, 1961	32,400	0	32,400
	(c) Profits in lieu of Salary u/s 17(3) Income tax Act, 1961	-	-	-
2	Stock option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	-as % of profit			
	-others specify			
5	Others please specify	-	-	-
	Total	74,04,976	40,44,680	1,14,49,656

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A.COMPANY					
Penalty	None and Not Applicable				
Punishment					
Compounding					
B.DIRECTORS					
Penalty	None and Not Applicable				
Punishment					
Compounding					
C.OTHER OFFICERS IN DEFAULT					
Penalty	None and Not Applicable				
Punishment					
Compounding					

## 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.:

- Balancing need for transparency with the need to protect the interest of the Company;
- Balancing the need for empowerment at all levels with the need for accountability; and
- 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, 2015. 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, 2015. 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 (Insider Trading) Regulations, 1992 (Regulations) 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

As on March 31, 2015, the Board of Directors (Board) comprise of Ten Directors. The Chairman of the Board is Non-Executive. Nine (90%) Directors are Non-Executive and 5 (50%) of them are Independent Directors.

The composition of the Board is in conformity with clause 49 of the Listing Agreement entered into with BSE Limited.

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 Clause 49 of the Listing Agreement. Six meetings were held during the financial year ended March 31, 2015 viz. May 27, 2014, July 28, 2014, August 6, 2014, October 30, 2014, February 4, 2015 and March 23, 2015.

The terms and conditions of appointment of the Independent Directors are available on the website of the Company.

All the information required to be placed before the Board of Directors under Clause 49 of the listing agreement, 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 (Directorship does not include alternate directorship, directorship of private limited companies, and companies incorporated outside India) and the Committees of all Board (Chairmanship / Membership of Board Committees include only Audit Committee and Shareholders / 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, 2015 are as follows :

Name of Director	Category	Number of Board Meetings during 2014-2015		Attendance at AGM held on August 6, 2014	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	6	4	Yes	Nil	None	7	Nil	Nil
Mr. Ashok Barat Managing Director	Non-Independent Executive	6	6	Yes	Nil	None	8	2	3
Mr. S.L.Goklaney	Non-Executive, Non-Independent	6	3	No	Nil	None	5	Nil	2
Mr. T. R. Doongaji	Non-Executive, Independent	6	6	Yes	Nil	None	1	1	Nil



Name of Director	Category	Number of Board Meetings during 2014-2015		Attendance at AGM held on August 6, 2014	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. Kaiwan D. Kalyaniwalla	Non-Executive, Independent	6	6	Yes	Nil	None	5	2	2
Mr. D. Sivanandhan	Non-Executive, Independent	6	6	Yes	Nil	None	8	Nil	2
Mr. Jimmy J. Parakh	Non-Executive, Non-Independent	6	2	No	Nil	None	1	Nil	Nil
Mr. Jai L. Mavani	Non-Executive, Non-Independent	6	5	Yes	Nil	None	3	Nil	1
Ms. Ameeta Chatterjee	Non-Executive, Independent	6	3	No	Nil	None	6	Nil	5
Mr. Kannan Dasaratharaman	Non-Executive, Independent	6	6	Yes	Nil	None	1	Nil	Nil

### Meeting of Independent Directors

The Independent Directors met on February 27, 2015 to discuss inter-alia:

- Evaluation of the performance of Non Independent Directors and the Board as a whole.
- Evaluation of the performance of the Chairman of the Company taking into account the views of the Executive Directors and Non Executive Directors.
- 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 was attended by four Independent Directors.

### CEO/CFO Certification

As required by the revised Clause 49(IX) of the Listing Agreement, the Certificate from Mr. Ashok Barat, Managing Director and Ms. Sunetra Ganesan, Chief Financial Officer was placed before the Board of Directors at their meeting held on May 26, 2015.

### Audit Committee

In compliance with section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement the terms of reference of the Audit Committee were revised by the Board at their meeting held on May 27, 2014 as under:

- the recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- review and monitor the auditor's independence and performance, and effectiveness of audit process;
- examination of the financial statement and the auditors' report thereon;
- approval or any subsequent modification of transactions of the company with related parties;
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the company, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- monitoring the end use of funds raised through public offers and related matters;
- 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;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- 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;
- Discussion with internal auditors of any significant findings and follow up thereon;
- 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;
- 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;
- To look into the reasons for substantial defaults in payments to the depositors, debentureholders, shareholders and creditors;
- To review the functioning of the Whistle Blower mechanism;
- Approval of appointment of CFO (i.e the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc of the candidate;

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

- Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
- Changes, if any, in accounting policies and practices and reasons for the same;
- Major accounting entries involving estimates based on the exercise of judgment by management;
- Significant adjustments made in the financial statements arising out of audit findings;
- Compliance with listing and other legal requirements relating to financial statements;
- Disclosure of any related party transactions;
- Qualification in the draft audit report;

(xx) Such other functions/duties as may be prescribed by the Companies Act, 2013 or Listing Agreement (as amended from time to time); and such other functions/duties as may be entrusted by the Board from time to time.

### Composition

The Audit Committee of the Board has been constituted in compliance with the provision of Clause 49 of the Listing Agreement read with Section 177 of the Companies Act, 2013 (Act). The Committee comprises of 4 members of which 3 are Independent Non Executive Directors and 1 Executive Director. The Committee functions under the Chairmanship of Mr. T.R. Doongaji, an Independent Director. All members are financially literate and at least one member has Accounting expertise. The Audit Committee meetings are also attended by Chief Financial Officer, Statutory Auditors and Head of Internal Audit. The functional heads are also invited 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 May 19, 2014, May 27, 2014, July 28, 2014, September 16, 2014, October 30, 2014, February 4, 2015, March 5, 2015 and March 23, 2015. The Composition of the Committee and details of meeting attended by its members is as follows:

Name	Category	No. of AC Meetings held	No. of AC Meetings attended
Mr. T. R. Doongaji Chairman	Non-Executive Independent	8	8
Mr. Ashok Barat	Executive	8	7
Mr. Kaiwan D. Kalyaniwalla	Non-Executive Independent	8	8
Ms. Ameeta Chatterjee	Non-Executive Independent	8	5

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 Companies Act, 2013 the Board

has reconstituted the existing Remuneration Committee as Nomination and Remuneration Committee. The meetings of Nomination and Remuneration Committee were held on October 7, 2014 and March 23, 2015. The Composition of the Committee and details of meetings attended by its members are as follows:

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

The terms of reference of Nomination and Remuneration Committee includes:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal; and
- Such other functions/duties as may be entrusted by the Board from time to time.

The Company's policy on directors' appointment and remuneration and other matters provided in Section 178(3) of the Companies Act, 2013 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, 2015 are as follows:

#### a) Non-Executive Directors:

Name of Director	Sitting Fees (Rs)
Mr. Shapoor P. Mistry	1,50,000
Mr. S. L. Goklaney	90,000
Mr. T. R. Doongaji	4,80,000
Mr. Kaiwan D. Kalyaniwalla	5,10,000
Mr. D. Sivanandhan	2,70,000
Mr. Jimmy J. Parakh	60,000
Mr. Jai L. Mavani	1,50,000
Ms. Ameeta Chatterjee	2,70,000
Mr. Kannan Dasaratharaman	2,10,000

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. No commission was paid to any Non-Executive Director during FY 2014-15.

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 2014-15.

b) Managing Director

Rs. in Crores

Salary and allowance	0.82
Benefits and Perquisites	0.01
Annual Performance Incentive for the FY 2013-14 *	0.36
Pension Contribution to PF & Superannuation Fund	0.11
Total	1.30

\* Performance Linked, others are fixed.

Performance criteria include level of the profits, reduction of costs, improvement of liquidity, steps taken for growth of business relating to both, the Company and its subsidiaries.

The Service Contract is for a period of 5 years effective from April 1, 2013 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 Companies Act, 2013 and the listing agreement, the Shareholders Committee was reconstituted by the Board of Directors on May 27, 2014 as 'Stakeholders Relationship Committee'.

The terms of reference of the 'Stakeholders Relationship Committee' includes:

- Approval of Share Transfers/Deletion of Name/s/Transposition of Name/s, Dematerialization/Re-materialization of Shares;
- Approval of Transmission of Shares;
- Approval for issue of Duplicate/Replacement/Renewal of Share Certificates;
- Resolution of grievances of the security holders; and
- 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. D. Sivanandhan	Non-Executive Independent

Mr. Pankaj Khattar, Head Legal and Company Secretary also functions as Compliance Officer.

No. of complaints not solved to the satisfaction of the Shareholders.

No. of Shareholders complaints received	Total	Of which Court Cases
Pending as on 1.4.2014 *	12	12
Add: Received during the year	1	
Total	13	
Less: Solved to the satisfaction of the Shareholders	1	
Balance as on 31.3.2015	12	12

\* There are pending Court cases (inclusive of pending cases relating to erstwhile FAL Industries Ltd.), which remained pending as at 31st March, 2015.

No Transfers were pending as on March 31, 2015.

#### Corporate Social Responsibility Committee

The provisions of Section 135 are not presently applicable to the Company. However the Board of Directors in good governance has constituted Corporate Social Responsibility Committee as under:

Name	Category	No. of Meetings held during the year	No. of Meetings attended
Ms. Ameeta Chatterjee Chairman	Non-Executive Independent	1	1
Mr. Ashok Barat	Executive	1	1
Mr. S. L. Goklaney	Non-Executive Non Independent	1	1

A meeting of the Corporate Social Responsibility Committee was held on November 12, 2014.

The Committee has formulated and recommended to the Board of Directors of the Company, a Corporate Social Responsibility Policy which was approved by the Board of Directors of the Company in its meeting held on March 23, 2015. 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, 2015 are as under :

Particulars	Date	Time	Venue
93 <sup>rd</sup> Annual General Meeting	August 21, 2012	4.00 p.m.	M. C. Ghia Hall, Bhogilal Hargovindas Building, 18/20 Kaikhushru Dubash Marg, (Behind Prince of Wales Museum), Mumbai 400001
94 <sup>th</sup> Annual General Meeting	August 2, 2013	4.00 p.m.	Indian Merchants Chambers, Walchand Hirachand Hall, IMC Building, 4 <sup>th</sup> Floor, IMC Marg, Churchgate, Mumbai 400020
95 <sup>th</sup> 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

#### Details of Special Resolutions passed in the previous 3 AGMs

August 2, 2013	Payment of remuneration to Mr. Ashok Barat, Managing Director as minimum remuneration in the event the Company has no profits or its profits are inadequate.
	Payment of commission, not exceeding, 1% p.a. of the net profits of the Company to Non Executive Directors
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 crore
	Authority to amend the Articles of Association with reference to affixation of common seal of the Company

#### Disclosures & Compliances

##### Related Party Transaction

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 and do not attract the provisions of section 188 of the Companies Act, 2013. 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 a policy for related party transactions which has been uploaded on the Company website.

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 Companies Act, 2013 and amended clause 49 of the listing agreement, 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](http://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 Clause 49 of the Listing Agreement. The status of compliance with non-mandatory recommendations of Clause 49 of the Listing Agreement with Stock Exchanges 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 2014-15 does not contain any audit qualification.
- Separate posts of Chairman and CEO: The Chairman of the Board is a Non- Executive Director and his position is separate from that of the Managing 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](http://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 AGM of the Company is scheduled on Tuesday, the September 1, 2015 at 4.00 p.m. at Indian Merchants' Chambers, Walchand Hirachand Hall, IMC Building, 4 <sup>th</sup> 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 Books of the Company will remain closed from Thursday, the August 27, 2015 to Tuesday, the September 1, 2015. No dividend has been recommended by the Board.
Listing on Stock Exchange	BSE limited
Stock Code	502865 (ISIN - INE518A01013)

**Market price data for the share 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, 2014	530.00	489.00	59,857	22939.31	22197.51	8536.72	8259.00
May, 2014	588.00	481.00	53,453	25375.63	22277.04	9578.21	8296.19
June, 2014	680.00	553.00	1,78,089	25725.12	24270.20	9891.69	9233.01
July, 2014	760.00	588.00	16,574	26300.17	24892.00	10055.76	9460.05
August, 2014	735.00	626.00	18,840	26674.38	25232.82	10145.51	9606.24
September, 2014	909.10	734.00	47,841	27354.99	26220.49	10478.05	9972.19
October, 2014	840.00	735.00	20,869	27894.32	25910.77	10602.46	9840.84
November, 2014	1560.00	740.25	95,145	28822.37	27739.56	10997.43	10583.35
December, 2014	1936.00	1391.75	66,136	28809.64	26469.42	11089.32	10154.40
January, 2015	2390.00	1796.15	89,167	29844.16	26776.12	11544.40	10457.44
February, 2015	2399.00	1900.00	48,726	29560.32	28044.49	11506.04	10899.34
March, 2015	2179.00	1601.00	28,159	30024.74	27428.45	11764.80	10733.92

**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 Company has re-constituted Share Transfer and Shareholders' Grievance Committee as Stakeholders Relationship Committee of the Board of Directors of the Company which 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, 2015**

Category	No. of shares	%
Promoters	95,25,691	73.85
Central/State Government Institutions	1,10,343	0.86
Nationalised Banks	18,522	0.14
Nationalised Insurance Companies & Unit Trust of India	521	0.00
Mutual Fund	402	0.00
FII & NRI/FBC	16,29,155	12.63
Public	16,14,042	12.52
Total	1,28,98,616	100.00



#### Distribution by size as on March 31, 2015

Holding	No. of Shareholders	No. of shares	% Shareholders
1 to 500	10192	680022	95.93
501 to 1000	244	177463	2.30
1001 to 2000	94	127080	0.88
2001 to 3000	31	78320	0.29
3001 to 4000	22	77790	0.21
4001 to 5000	8	36227	0.08
5001 to 10000	11	76589	0.10
10001 & above	22	11645125	0.21
Total	10624	1,28,98,616	100.00

#### Status of dematerialization of shares and liquidity as on March 31, 2015

Details	No. of shares	% of Share Capital	No. of Accounts
National Securities Depository Ltd.	1,19,74,653	92.84	4,173
Central Depository Services (India) Ltd.	3,46,429	2.69	1,337
Total dematerialized	1,23,21,082	95.53	5,510
Physical	5,77,534	4.47	5,114
Total	1,28,98,616	100.00	10,624

#### 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.

#### Plant Locations

A7, MIDC Area  
Chikalthana,  
Aurangabad – 431 210

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

Chandivali Estate  
Saki Powai Road  
Mumbai – 400 072

#### Container Freight Stations

Veshvi, Post – Dighode,  
Taluka – Uran,  
Dist. Raigad – 410 206

Bharat CFS Zone 1,  
Old Port Road,  
MP and SEZ,  
Mundra - 370 421

#### 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 May 26, 2015 issued by Makarand M Joshi & Co., on compliance with the corporate Governance requirements by the Company is annexed herewith.

For and on behalf of the Board of Directors

**Shapoor P. Mistry**  
Chairman

Mumbai, May 26, 2015.

#### DECLARATION UNDER CLAUSE 49 II (E) OF THE LISTING AGREEMENT

As provided under Clause 49 of the Listing Agreement with the BSE Limited, 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, 2015.

For Forbes & Company Limited

**Ashok Barat**  
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, 2015, as stipulated in clause 49 of the Listing Agreement 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 Clause 49 of the above mentioned Listing Agreement.

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.**

**Makarand Joshi**  
**Partner**  
FCS No. 5533  
CPNo. 3662

Place: Mumbai  
Date: May 26, 2015

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FORBES & COMPANY LIMITED

### Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of **Forbes & Company Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement, and a summary of the significant accounting policies and other explanatory information for the year then ended.

### Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. 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.
5. 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 standalone financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal financial control relevant to the Company's preparation and fair presentation of the standalone financial statements that give a true and fair view in order to design audit

procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and operating effectiveness of such controls. 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 financial statements.

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

### Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the 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, 2015, and its loss and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

8. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
9. We draw attention to Note 49 to the standalone financial statements relating to loans given to The Svadeshi Mills Company Limited and its subsidiary, Coromandel Garments Limited, aggregating ₹ 4,756.77 lakhs in respect of which full provision has been made, arising inter alia from our enquiry under Section 143(1)(a) of the Act.
10. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
  - (f) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our

information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 29 to the standalone financial statements;
- ii. The Company has made provision, as required under the applicable accounting standards, for material foreseeable losses, on long-term contracts including derivative contracts - Refer Note 40B to the standalone financial statements;
- iii. There has been no delay in transferring amounts,

required to be transferred, to the Investor Education and Protection Fund by the Company.

**For Deloitte Haskins & Sells LLP**

Chartered Accountants

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

**Nilesh Shah**

Partner

(Membership No.49660)

MUMBAI, May 26, 2015

## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 8 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 financial statements for the year ended March 31, 2015)

1. In respect of its fixed assets:

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
- (b) The fixed assets have not been physically verified by the Management during the year but 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.

2. In respect of its inventories:

- (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company has generally maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

3. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Act and accordingly the sub-clauses (a), and (b) of clause (iii) of the Order are not applicable to the Company.

4. In our opinion and according to the information and explanations given to us, the internal control system is generally commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.

5. According to the information and explanations given to us, the Company has not accepted any deposits from the public 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.

6. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 as amended and prescribed by the Central Government under Section 148(1) of the 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.

7. 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, wealth tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it with the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, value added tax, customs duty, excise duty, cess and other material statutory dues in arrears, as at March 31, 2015 for a period of more than six months from the date they became payable, except as disclosed below.

Name of statute	Nature of dues	Amount involved (₹ in Lakhs)	Period to which the amount relates	Due date
Mumbai Municipal Corporation Act, 1888	Property Tax	10.45	October 1, 2012 to March 31, 2013	December 31, 2012
		10.45	April 1, 2013 to September 30, 2013	September 13, 2013
		10.45	October 1, 2013 to March 31, 2014	December 31, 2013

(c) Details of dues of income tax, sales tax, wealth tax, service tax, customs duty, excise duty, value added tax and cess which have not been deposited as on March 31, 2015 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)
Income-Tax Act, 1961	Income-Tax	Income-Tax Appellate Tribunal	Financial Years: 2002-03 and 2004-05	144.66
		Commissioner of Income-Tax (Appeals)	Financial Years: 1997-98; 2000-01 and 2011-12	2,644.50
The Central Excise Act, 1944	Excise Duty (including interest and penalty)	Additional Commissioner of Central Excise	Financial Years: 2000 to 2003	54.99
		Custom Excise & Service Tax Appellate Tribunal, New Delhi	Financial Years: 2003 to 2007	4,624.87
		Custom Excise & Service Tax Appellate Tribunal, Chennai	Financial Years: 1995-96	9.38
		Custom Excise & Service Tax Appellate Tribunal, Mumbai	Financial Years: 1999-00	1.63
		Assistant Commissioner of Central Excise	Financial Years: 2000 to 2004	4.86
		Commissioner of Central Excise, Chennai	December 2003 to December 2004 and November 2006 to February 2007	21.53
		Commissioner of Central Excise, Mumbai-II	Financial Years: 2010-2011	6.25
		Commissioner of Central Excise, Mumbai-II	April 2011 to September 2012	2.76
Sales Tax Laws	Sales Tax (including interest and penalty)	Commercial Tax Officer, Chennai	Financial Years: 2004-05	3.95
		Madras High Court	Financial Years: 1989-90, 1998-99, 1999-00	435.08
		Sales Tax Appellate Tribunal, Cuttack	Financial Years: 1992-93	3.76
		Sales Tax Appellate Tribunal, Patna	Financial Years: 1990-91 to 1993-94	45.66
		Joint Commissioner of Appeals Sales Tax, Delhi	Financial Years: 2008-09 to 2010-11	15.64
		Joint Commissioner of Appeals Sales Tax, Ahmedabad	Financial Years: 2008-09	1.52
		Joint Commissioner of Appeals Sales Tax, Kolkata	Financial Years: 2009-10	12.72
		Joint Commissioner of Appeals Sales Tax, Bangalore	Financial Years: 2005-06	2.82
		Deputy Commissioner of Appeals, Mumbai	Financial Years: 1993-94, 1999-00	41.50
		Deputy Commissioner of Appeals, Kolkata	Financial Years: 2002-03, 2005-06 to 2006-07	23.29
		Deputy Commissioner of Appeals, New Delhi	Financial Years: 1987-88	0.44
		Sales Tax Appellate Tribunal, Mumbai	Financial Years: 1994-95, 1998-99, 2001-02 to 2002-03	42.20
		Asst. Commissioner of (CT) Thiruvanniyar Assessment Circle	Financial Years: 2000-01 to 2005-06	172.75
		Joint Commissioner of Sales Tax (Appeals), Mumbai	Financial Years: 2008-09	1,271.33



Name of Statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount involved (₹ In Lakhs)
The Finance Act, 1994	Service Tax	Commissioner of Service Tax - I, Mumbai	Financial Years: 2007-08 to 2012-13	688.38
The Customs Act, 1962	Customs duty (including penalty)	Commissioner (Appeals), Chandigarh	Financial Years: 2012-13	0.93
		Custom Excise & Service Tax Appellate Tribunal, Ahmedabad	Financial Years: 2012-13	0.90
Karnataka Tax on Entry of Goods, 1979	Entry Tax	Karnataka Appellate Tribunal	Financial Years: 2001-02 to 2008-09	38.45
Mumbai Municipal Corporation Act, 1888*	Property Tax	Assistant Assessor and Collector	Financial Years: 2005-06 to 2009-10	671.60

\* Property tax not deposited pending resolution of the representation made by the Company to the Assistant Assessor and Collector, Municipal Corporation of Greater Mumbai against the enhanced rateable value assessed by the said authority.

- (d) The Company has been regular in transferring amounts to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder within time.
8. The accumulated losses of the Company as at the end of the financial year are less than fifty percent of its net worth and the Company has not incurred cash losses during the financial year covered by our audit and has incurred cash losses in the immediately preceding financial year.
9. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks and debenture holders.
10. In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks and financial institutions are not, *prima facie*, prejudicial to the interests of the Company.
11. In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained, other than temporary deployment pending application.
12. 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 has been noticed or reported during the year.

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

**Nilesh Shah**  
Partner  
(Membership No.49660)

MUMBAI, May 26, 2015

## BALANCE SHEET AS AT 31ST MARCH, 2015

Particulars	Note No.	₹ in Lakhs	As at 31st March, 2015 ₹ in Lakhs	As at 31st March, 2014 ₹ in Lakhs
<b>I EQUITY AND LIABILITIES</b>				
<b>1 Shareholders' funds</b>				
a Share capital	3	1,289.86		1,289.86
b Reserves and surplus	4	12,234.82	13,524.68	12,488.15
				13,778.01
<b>2 Non-current liabilities</b>				
a Long-term borrowings	5	8,226.12		12,517.46
b Other Long-term liabilities	6	601.14		494.10
c Long-term provisions	7	1,125.91	9,953.17	812.55
				13,824.11
<b>3 Current liabilities</b>				
a Short-term borrowings	8	1,802.50		1,258.21
b Trade payables	9	3,868.46		3,353.81
c Other current liabilities	10	9,465.54		6,816.23
d Short-term provisions	11	1,529.76		1,325.34
			16,666.26	12,753.59
<b>TOTAL</b>			<b>40,144.11</b>	<b>40,355.71</b>
<b>II ASSETS</b>				
<b>1 Non-current assets</b>				
a Fixed assets				
(i) Tangible assets	12A	9,886.67		10,343.09
(ii) Intangible assets	12B	108.12		186.89
(iii) Capital work-in-progress		5.74		13.28
(iv) Intangible assets under development		22.08		46.07
		10,022.61		10,589.33
b Non-current investments	13	16,270.13		15,370.99
c Long-term loans and advances	14	3,479.45	29,772.19	3,113.47
				29,073.79
<b>2 Current assets</b>				
a Inventories	15	3,705.20		3,545.00
b Trade receivables	16	4,714.83		3,959.30
c Cash and cash equivalents	17	717.90		1,049.35
d Short-term loans and advances	18	610.57		1,988.88
e Other current assets	19	623.42		739.39
			10,371.92	11,281.92
<b>TOTAL</b>			<b>40,144.11</b>	<b>40,355.71</b>

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, 26th May, 2015

SUNETRA GANESAN  
Chief Financial Officer

PANKAJ KHATTAR  
Company Secretary

SHAPOOR P. MISTRY  
ASHOK BARAT

Chairman  
Managing Director

S.L. GOKLANEY  
T.R. DOONGAJI  
KAIWAN D. KALYANIWALLA  
D. SIVANANDHAN  
JIMMY J. PARAKH  
JAI L. MAVANI  
AMEETA CHATTERJEE  
K. DASARATHARAMAN  
Mumbai, 26th May, 2015

Directors

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

Particulars	Note No.	₹ in Lakhs	Year Ended 31st March, 2015 ₹ in Lakhs	Year Ended 31st March, 2014 ₹ in Lakhs
<b>I Revenue from operations (gross)</b>	<b>20</b>	30,452.20		30,028.79
Less: Excise duty		1714.55		1,431.61
Revenue from operations (net)			<b>28,737.65</b>	28,597.18
<b>II Other income</b>	<b>21</b>		<b>617.56</b>	749.01
<b>III Total revenue (I + II)</b>			<b>29,355.21</b>	29,346.19
<b>IV Expenses:</b>				
Cost of materials consumed	<b>22</b>	6,054.34		5,234.49
Purchases of stock-in-trade (traded goods)	<b>41B</b>	122.13		365.21
Changes in inventories of finished goods, work-in-progress and stock-in-trade	<b>23</b>	(765.98)		(47.25)
Employee benefits expense	<b>24</b>	4,704.27		4,574.82
Finance costs	<b>25</b>	1,874.02		1,855.35
Depreciation and amortisation expense	<b>26</b>	714.95		1,327.43
Other expenses	<b>27</b>	17,692.91		17,606.66
<b>Total expenses</b>			<b>30,396.64</b>	30,916.71
<b>V Loss before exceptional items and tax (III - IV)</b>			<b>(1,041.43)</b>	(1,570.52)
<b>VI Exceptional items - Income / (Expense)</b>	<b>28</b>		<b>983.58</b>	(1,400.64)
<b>VII (Loss) before tax (V + VI)</b>			<b>(57.85)</b>	(2,971.16)
<b>VIII Tax expense</b>			-	-
<b>IX (Loss) for the year (VII - VIII)</b>			<b>(57.85)</b>	(2,971.16)
<b>X Earnings per equity share:</b>	<b>35</b>			
Basic and diluted earnings per equity share (nominal value of share ₹ 10)			<b>₹ (0.45)</b>	₹ (23.03)

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

SHAPOOR P. MISTRY  
ASHOK BARAT

Chairman  
Managing Director

**NILESH SHAH**  
Partner  
Mumbai, 26th May, 2015

SUNETRA GANESAN  
Chief Financial Officer

PANKAJ KHATTAR  
Company Secretary

S.L. GOKLANEY  
T.R. DOONGAJI  
KAIWAN D. KALYANIWALLA  
D. SIVANANDHAN  
JIMMY J. PARAKH  
JAI L. MAVANI  
AMEETA CHATTERJEE  
K. DASARATHARAMAN  
Mumbai, 26th May, 2015

Directors

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

	Note No.	Year Ended 31st March, 2015 ₹ in Lakhs	Year Ended 31st March, 2014 ₹ in Lakhs
<b>(Loss) before tax</b>		<b>(57.85)</b>	<b>(2,971.16)</b>
<b>Adjustments for -</b>			
Depreciation and amortisation expense		714.95	1,327.43
Net gain on sale of current investments		(1.37)	(0.80)
Interest on long-term investments in a subsidiary company		(1.89)	(11.23)
Interest on bank deposits		(15.69)	(25.74)
Interest on inter-corporate deposits		(103.22)	(180.65)
Finance costs		1,874.02	1,855.35
Dividend from long-term investments		(0.06)	(0.05)
Dividend from current investments in mutual funds		(46.45)	(42.51)
(Profit) on sale / write-off of fixed assets (net)		(37.70)	(19.59)
Provision for doubtful trade receivables		32.66	229.73
Provision for doubtful loans and advances		5.03	-
Provision for impairment of Fixed Assets		-	1.81
Provision for estimated losses on onerous contracts		-	60.50
Bad trade receivables / advances written off (net)		473.66	12.24
Credit balances / excess provision written back		(80.26)	(36.88)
Provision for doubtful trade receivable / loans and advances no longer required		-	(32.09)
Net unrealised exchange loss		9.88	47.76
		<b>2,823.56</b>	<b>3,185.28</b>
Exceptional items:			
- Provision for diminution in the value of investments		(1,064.15)	1,214.14
		<b>(1,064.15)</b>	<b>1,214.14</b>
		<b>1,759.41</b>	<b>4,399.42</b>
<b>Operating profit before working capital changes</b>		<b>1,701.56</b>	<b>1,428.26</b>
<b>Changes in working capital:</b>			
Adjustments for (increase) / decrease in operating assets:			
Inventories		(160.20)	(152.12)
Trade receivables		(802.39)	3,199.51
Short-term loans and advances		144.52	321.10
Long-term loans and advances		(148.60)	(96.43)
Other current assets		(124.72)	(277.05)
		<b>(1,091.39)</b>	<b>2,995.01</b>
Adjustments for increase / (decrease) in operating liabilities:			
Trade payables		530.99	(1,050.99)
Other current liabilities		(3,275.16)	458.86
Other Long-term liabilities		107.04	38.74
Short-term provisions		203.62	(187.75)
Long-term provisions		72.60	(1.71)
		<b>(2,360.91)</b>	<b>(742.85)</b>
		<b>(3,452.30)</b>	<b>2,252.16</b>
<b>Cash generated (used in) / from operations</b>		<b>(1,750.74)</b>	<b>3,680.42</b>
Income taxes paid (net of refunds)		<b>(155.19)</b>	<b>4.69</b>
<b>(a) Net cash flow (used in) / from operating activities</b>		<b>(1,905.93)</b>	<b>3,685.11</b>

	Note No.	Year Ended 31st March, 2015 ₹ in Lakhs	Year Ended 31st March, 2014 ₹ in Lakhs
<b>Cash flows from investing activities:</b>			
Capital expenditure on fixed assets including capital advances		(388.45)	(304.22)
Proceeds from sale of fixed assets		48.50	50.58
Purchase / subscription of long-term investments			
- in subsidiaries		(5.00)	(1,145.01)
Share application money given to joint venture		-	(184.25)
Proceeds from sale / redemption of long-term investments			
- in subsidiaries		170.00	-
Share application money refunded by joint venture		-	184.25
Purchase of current investments		(9,185.23)	(9,685.00)
Proceeds from sale of current investments		9,233.05	9,774.78
Loans and advances given to related parties		-	(303.53)
Loans and advances given to related parties realised		1,096.16	500.00
Bank balances not considered as cash and cash equivalents - (placed)		(2.37)	(2.58)
Interest received		44.63	69.13
Dividend received		0.06	0.05
<b>(b) Net cash flow from / (used in) investing activities</b>		<b>1,011.35</b>	<b>(1,045.80)</b>
<b>Cash flows from financing activities:</b>			
Proceeds from long-term borrowings		3,000.00	3,000.00
Repayment of long-term borrowings		(1,318.47)	(3,278.25)
Proceeds from short-term borrowings		19,774.16	7,735.44
Repayment of short-term borrowings		(19,128.85)	(8,556.29)
Net (decrease) / increase in cash credit and packing credit		(107.89)	28.54
Finance costs		(1,651.19)	(1,634.51)
Dividend paid on equity shares		-	(64.49)
Tax on dividend		-	(10.96)
<b>(c) Net cash flow from / (used in) financing activities</b>		<b>567.76</b>	<b>(2,780.52)</b>
<b>(d) Net (decrease) in cash and cash equivalents (a + b + c)</b>		<b>(326.82)</b>	<b>(141.21)</b>
<b>(e) Cash and cash equivalents as at the commencement of the year</b>		<b>921.67</b>	<b>1,062.88</b>
<b>(f) Cash and cash equivalents as at the end of the year (d + e)</b>	<b>17(a)</b>	<b>594.85</b>	<b>921.67</b>

**Notes:**

Cash flows are reported using the indirect method, whereby (Loss) / Profit before extraordinary items and 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 based on the available information.

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

In terms of our report attached <b>For DELOITTE HASKINS &amp; SELLS LLP</b> Chartered Accountants		SHAPOOR P. MISTRY ASHOK BARAT	Chairman Managing Director
<b>NILESH SHAH</b> Partner Mumbai, 26th May, 2015	SUNETRA GANESAN Chief Financial Officer	S.L. GOKLANEY T.R. DOONGAJI KAIWAN D. KALYANIWALLA D. SIVANANDHAN JIMMY J. PARAKH JAI L. MAVANI AMEETA CHATTERJEE K. DASARATHARAMAN	} Directors
	PANKAJ KHATTAR Company Secretary	Mumbai, 26th May, 2015	

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

### 1. Corporate Information

Forbes & Company Limited 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. The Company is mainly engaged in the Engineering, Real estate and Shipping & Logistics business; and is listed on the Bombay Stock Exchange.

### 2. Significant accounting policies

#### a) Basis of accounting

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under section 133 of the Companies Act, 2013 (the "2013 Act") read with rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the 2013 Act. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

#### b) Use of estimates

The preparation of the financial statements in conformity with the Indian GAAP requires the Management to make estimates and assumptions that affect the reported amount of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. The Management believes that the estimates used in preparation of Financial Statements are prudent and reasonable. Future results could differ due to these estimates and differences between the actual results and estimates are recognised in the period in which the results are known/materialise.

#### c) Fixed assets and depreciation / amortisation

##### 1. Tangible fixed assets and depreciation

Tangible fixed assets are carried at cost of acquisition or construction 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.

Depreciation on tangible fixed assets has been provided on straight line method as per the useful life prescribed in Schedule II to the Companies Act 2013, except in respect of certain assets, in whose case 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 of the tangible fixed assets are as under:

Sr. No.	Class of assets	Estimated useful life
i)	Leasehold Land	Lease term
ii)	Building	As per Schedule II to the Companies Act, 2013 except in certain buildings, useful life is based on technical certification

Sr. No.	Class of assets	Estimated useful life
iii)	Plant & Machinery	Useful life based on technical certification
iv)	Furniture & Fixture	As per Schedule II
v)	Vehicles	4 years
vi)	Office equipment, Electrical installations, Computers:- - Owned - Leased	As per Schedule II Lower of lease term and useful life as per Schedule II
vii)	Buildings on leasehold land	Lower of the useful life as per Schedule II and the lease term except in certain building useful life is based on technical certification
viii)	All Categories of assets costing ₹ 5,000 and less	Fully depreciated in the year of purchase

### 2. Intangible assets and amortisation

Intangible assets, being computer software, are carried at 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).

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.

### 3. 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.

### 4. 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.

### d) Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. 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.

### e) Investments

Long-term investments are carried at cost, less provision for diminution other than temporary, in value, if any. Current investments are carried individually, at the lower of cost and fair value. Cost of investments includes acquisition charges such as brokerage, fees and duties.



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

**f) Borrowing costs**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. Other borrowing costs are recognised as an expense in the period in which they are incurred.

**g) Foreign currency transactions and translation**

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the date of the transaction. Monetary items denominated in foreign currency at the year-end are translated at year end rates. The exchange differences arising on settlement / translation are recognised in the statement of profit and loss. Non-monetary items denominated in foreign currency are carried at historical cost.

Accounting for Forward Contracts: Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the Balance Sheet date. Exchange differences on such contracts are recognised in the statement of profit and loss. Any profit or loss arising on cancellation or renewal of such forward contracts is recognised as income or expense in the period in which such cancellation or renewal is made.

**h) Inventories**

Inventories are valued at the lower of the acquisition / production cost and net realisable value after providing for obsolescence and other losses, where considered necessary. The principles of determining costs of various types of inventories are tabulated below:

S. No.	Type	Basis of determining costs
(i)	<b>Stores, spare parts, components and loose tools</b>	Moving weighted average
(ii)	<b>Raw and packing materials</b>	Standard cost adjusted for variances based on weighted average purchase price
(iii)	<b>Work-in-progress</b>	Aggregate of cost of materials, other direct costs and absorbed production overheads (including depreciation) up to the stage of completion based on standard cost adjusted for variances
(iv)	<b>Finished goods</b>	Aggregate of cost of materials, other direct costs and absorbed production overheads (including depreciation) based on standard cost adjusted for variances and including excise duty
(v)	<b>Stock-in-trade (in respect of goods acquired for trading)</b>	Standard cost adjusted for variances based on weighted average purchase price
(vi)	<b>Real estate development work-in-progress</b>	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.

**i) 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.

**j) Revenue recognition****1. Sale of products**

Sales are recognised, net of returns, trade discounts, VAT / Sales tax on transfer of 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.

**2. Sale of services**

- 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.
- Container freight station ground rent income is recognised on an accrual basis.
- Income from other services is recognised as and when the services are performed.

**3. Interest**

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

**4. Dividend**

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

**k) Employee benefits****1. Provident fund**

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

In respect of contribution to the trust set up by the Company, since the Company is obligated to meet interest shortfall, if any, with respect to covered employees, such employee benefit plan is classified as defined benefit plan in accordance with the Guidance on implementing Accounting Standard (AS) 15 (Revised) on Employee Benefits issued by the Accounting Standard Board of the Institute of Chartered Accountants of India. The Company makes provision for such interest short fall if any, based on an independent external actuarial valuation carried out at the end of the year.

**2. Superannuation**

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 Life Insurance Corporation of India (LIC). Superannuation is classified as defined contribution plan as the Company has no further obligations beyond making the

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

contribution. The Company's contribution to defined contribution plan is charged to the statement of profit and loss as incurred.

### 3. Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of six months subject to maximum amount prescribed. For certain categories of employees, lump sum amount equivalent to one month salary for services up to 15 years; for services above 15 years but equals to or less than 25 years, one month salary up to 15 years and 15 days salary for services in excess of 15 years; and for services above 25 years, one month salary up to 15 years, 15 days salary for services in excess of 15 years up to 25 years and one-third monthly salary for services in excess of 25 years, payable for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service. The Company has obtained insurance policies with LIC and makes an annual 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. Actuarial gains and losses are recognised in the statement of profit and loss.

### 4. Post-retirement medical benefits and non-compete fees

Under this 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. Actuarial gains and losses are recognised in the statement of profit and loss.

### 5. Compensated absences

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. Actuarial gains and losses are recognised in the statement of profit and loss.

### l) Taxes on income

Tax expense comprises current tax and deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of Income-Tax Act, 1961. The Company recognizes deferred tax (subject to consideration of prudence) based on the tax effect of timing differences, being differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. Deferred tax assets are not recognised on unabsorbed depreciation and carry forward of losses unless there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

### m) Lease accounting

#### 1. 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.

#### 2. 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.

### n) Segment reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis, have been included under 'Unallocated revenue / expenses / assets / liabilities'.

### o) Provisions, contingent liabilities and contingent assets

Provisions are recognised only when there is a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding employee benefits) are not discounted to its present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. 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. Contingent Assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised.

### p) Export incentives

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

### q) Operating cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of asset and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	Number of shares	As at 31st March, 2015 ₹ in Lakhs	Number of shares	As at 31st March, 2014 ₹ in Lakhs
<b>3. Share capital</b>				
<b>Authorised:</b>				
Equity shares of ₹ 10 each	1,50,00,000	1,500.00	1,50,00,000	1,500.00
	<u>1,50,00,000</u>	<u>1,500.00</u>	<u>1,50,00,000</u>	<u>1,500.00</u>
<b>Issued, subscribed and fully paid:</b>				
Equity shares of ₹ 10 each	1,28,98,616	1,289.86	1,28,98,616	1,289.86
	<u>1,28,98,616</u>	<u>1,289.86</u>	<u>1,28,98,616</u>	<u>1,289.86</u>

**(a) 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.

**(b) Equity shares held by holding company and subsidiary company**

93,59,293 (*Previous year: 93,59,293*) equity shares are held by the holding company, Shapoorji Pallonji and Company Private Limited; and 1,66,398 (*Previous year: 1,66,398*) equity shares are held by a subsidiary of the Company, Forbes Campbell Finance Limited.

**(c) Details of equity shares held by each shareholder holding more than 5 percent equity shares in the Company are as follows:**

Name of Shareholder	As at 31st March, 2015		As at 31st March, 2014	
	Number of equity shares held	% holding	Number of equity shares held	% holding
Shapoorji Pallonji and Company Private Limited	93,59,293	72.56	93,59,293	72.56
India Discovery Fund Limited	11,48,255	8.90	11,48,255	8.90

(d) The Company has not allotted any equity shares for consideration other than cash, bonus shares, nor have any shares been bought back during the period of five years immediately preceding the Balance Sheet date.

	₹ in Lakhs	As at 31st March, 2015 ₹ in Lakhs	As at 31st March, 2014 ₹ in Lakhs
<b>4. Reserves and surplus</b>			
<b>(a) Debenture Redemption Reserve:</b>			
Balance as per last balance sheet		2,500.00	2,500.00
<b>(b) General reserve:</b>			
Balance as per last balance sheet		16,188.60	16,188.60
<b>(c) (Deficit) in statement of profit and loss:</b>			
Balance as per last balance sheet	(6,200.45)		(3,229.29)
Add: Depreciation on transition to Schedule II to the Companies Act, 2013 on fixed assets with nil remaining useful life (Net of deferred tax of ₹ Nil) (Refer Note 12).	(195.48)		-
Add: (Loss) for the year	(57.85)		(2,971.16)
		<u>(6,453.78)</u>	<u>(6,200.45)</u>
		<u>12,234.82</u>	<u>12,488.15</u>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

Non - current portion		Current maturities	
As at 31st March, 2015 ₹ in Lakhs	As at 31st March, 2014 ₹ in Lakhs	As at 31st March, 2015 ₹ in Lakhs	As at 31st March, 2014 ₹ in Lakhs

### 5. Long-term borrowings

#### (a) Debentures - Secured

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 (Refer Footnote).

4,000.00	10,000.00	6,000	-
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#### (b) Term loans - Secured

##### From Banks:

(i) **Federal Bank Limited** - Secured by first exclusive 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 10.45% p.a. (Previous year 10.80% p.a.)]

1,000.00	2,000.00	1,000.00	1,000.00
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(ii) **Export Import Bank of India - PEF Loan** - Secured by an exclusive charge by way of hypothecation of the specific movable fixed assets of the Company.  
[Repayable in quarterly instalments of ₹ 17.30 Lakhs each. First installment was due in August, 2012 and last instalment is due in August, 2018. Rate of interest 12% p.a. (Previous year: 12% p.a.)]

172.97	242.16	69.19	69.19
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(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 instalments of ₹ 375 Lakhs each. First installment is due in January, 2017 and last instalment is due in October, 2017. Rate of interest 11% p.a.]

1,500.00	-	-	-
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(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 instalments of ₹ 375 Lakhs each. First installment is due in January, 2017 and last instalment is due in October, 2017. Rate of interest 11% p.a.]

1,500.00	-	-	-
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## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

Non - current portion		Current maturities	
As at 31st March, 2015 ₹ in Lakhs	As at 31st March, 2014 ₹ in Lakhs	As at 31st March, 2015 ₹ in Lakhs	As at 31st March, 2014 ₹ in Lakhs

## 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. Rate of interest 11.50% p.a. (Previous year 11.50% p.a.)]

53.15	257.32	113.02	158.14
8,226.12	12,499.48	7,182.21	1,227.33

- (c) **Finance lease obligations -** Secured by Computer Hardware financed [see Note 34(a)]

[Repayable in quarterly equated installments. First installment was due in July, 2011 and last instalment is due in December, 2015. Rate of Interest in the range of 7.68% to 9.33 % p.a.]

-	17.98	19.39	33.26
8,226.12	12,517.46	7,201.60	1,260.59

Less: Amount disclosed under "Other current liabilities" (see Note 10)

-	-	(7,201.60)	(1,260.59)
8,226.12	12,517.46	-	-

## Footnote:

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

Sr. No.	Face Value per Debenture	Date of Allotment	As at 31.03.2015 ₹ in Lakhs	As at 31.03.2014 ₹ in Lakhs	Coupon	Terms of Repayment
1	1,00,00,000	13th September, 2012	6,000.00	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.
			10,000.00	10,000.00		

As at 31st March, 2015 ₹ in Lakhs	As at 31st March, 2014 ₹ in Lakhs
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## 6. Other Long-term liabilities

- (a) Advance from Customers  
(b) Security Deposits

66.00	-
535.14	494.10
601.14	494.10

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	As at 31st March, 2015	As at 31st March, 2014		As at 31st March, 2015	As at 31st March, 2014
	₹ in Lakhs	₹ in Lakhs		₹ in Lakhs	₹ in Lakhs
<b>7. Long-term provisions</b>			<b>10. Other current liabilities</b>		
<b>(a) Provision for employee benefits</b>			(a) Current maturities of long-term borrowings (secured) (see Note 5)	7,182.21	1,227.33
(i) Compensated absences	288.37	247.59	(b) Current maturities of finance lease obligations (secured) (see Note 5)	19.39	33.26
(ii) Other post retirement benefits (see Note 31)	339.53	307.71	(c) Interest accrued but not due on borrowings	20.68	32.59
	627.90	555.30	(d) Advance from Customers	102.65	45.83
<b>(b) Provision for Premium payable on redemption of debentures (see Note 5)</b>	498.01	257.25	(e) Unpaid dividends *	2.37	7.00
	1,125.91	812.55	(f) Unpaid matured deposits and interest accrued thereon *	2.33	11.12
<b>8. Short-term borrowings</b>			(g) Other payables :		
<b>(a) Secured borrowings from banks:</b>			(i) Statutory remittances	486.63	755.29
(i) Repayable on demand - 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	108.45	(ii) Payables on purchase of fixed assets	18.09	9.30
(ii) Buyers credit from YES Bank Limited - Secured by second charge on 11 residential flats, part basement and part garages in "Volkart House", Mumbai.	301.95	149.76	(iii) Security deposits	301.85	3,388.03
	302.50	258.21	(iv) Payables to Shipping Principals	769.20	830.62
<b>(b) Unsecured borrowings:</b>			(v) Customers' credit balances and advances for supplies and services to be rendered	560.05	462.28
From other than banks			(vi) Others	0.09	13.58
Commercial papers [maximum amount outstanding during the year ₹ 7,000 Lakhs (Previous year: ₹ 4,000 Lakhs)]	1,500.00	1,000.00		9,465.54	6,816.23
	1,500.00	1,000.00			
	1,802.50	1,258.21			
<b>9. Trade Payables</b>					
Trade Payables					
(i) Micro and Small enterprises (see Note 39)	232.30	151.10			
(ii) Others	3,636.16	3,202.71			
	3,868.46	3,353.81			

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

### 11. Short-term provisions

(a) Provision for employee benefits		
(i) Compensated absences	45.20	41.33
(ii) Gratuity (see Note 31)	126.39	21.23
(iii) Other post retirement benefits (see Note 31)	93.87	93.96
	265.46	156.52
(b) Others		
(i) Tax provisions less payments (other than deferred tax) [net of advance tax ₹ 5,104.40 Lakhs (Previous year: ₹ 5,089.65 Lakhs)]	735.65	684.35
(ii) Provisions for wealth tax less payments [net of advance tax ₹ 53.44 Lakhs (Previous year: ₹ 21.78 Lakhs)]	34.65	39.97
(iii) Provision for disputed statutory demands (see Note 40A)	220.00	120.00
(iv) Provision for estimated losses on onerous contracts (see Note 40B)	274.00	324.50
	1,264.30	1,168.82
	1,529.76	1,325.34



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

## 12. Fixed assets

₹ in Lakhs

Description of Assets	GROSS BLOCK (at cost)				DEPRECIATION / AMORTISATION						IMPAIRMENT	NET BLOCK	
	As at 31st March, 2014	Additions during the year	Deductions during the year	Re-grouping (see Footnote 3)	As at 31st March, 2015	Upto 31st March, 2014	For the year	Re-grouping	On deduction during the year	Other Adjustments (see Footnote 3)	Upto 31st March, 2015	As at 31st March, 2015	As at 31st March, 2015
<b>A. Tangible assets</b>													
Land:													
Freehold	168.08	-	-	1,577.66	1,745.74	-	-	-	-	-	-	-	1,745.74
	171.58	-	3.50	-	168.08	-	-	-	-	-	-	-	168.08
Leasehold	861.52	-	-	-	861.52	285.84	33.42	-	-	-	319.26	-	542.26
	861.52	-	-	-	861.52	252.42	33.42	-	-	-	285.84	-	575.68
Buildings [see footnote 1 and Note 34(b)]	8,032.86	27.63	12.21	(1,577.48)	6,470.80	2,450.09	(12.31)	0.05	12.05	13.97	2,439.75	-	4,031.05
	7,939.24	93.62	-	-	8,032.86	2,244.36	205.73	-	-	-	2,450.09	0.16	5,582.61
Plant and equipment (see Footnote 2)	10,676.88	247.80	49.81	-	10,874.87	7,405.46	343.60	-	45.06	13.87	7,717.87	-	3,157.00
	10,724.85	95.13	143.10	-	10,676.88	6,724.65	808.97	-	128.16	-	7,405.46	1.26	3,270.16
Furniture and fixtures	467.97	10.01	4.04	-	473.94	264.12	63.68	-	4.01	8.64	332.43	-	141.51
	476.74	4.84	13.61	-	467.97	250.44	26.04	-	12.36	-	264.12	-	203.85
Vehicles	87.93	-	5.65	-	82.28	62.25	8.09	-	5.65	-	64.69	-	17.59
	116.77	32.35	61.19	-	87.93	116.77	6.67	-	61.19	-	62.25	-	25.68
Office equipment:													
Owned	1,112.39	53.13	23.64	(0.18)	1,141.70	640.94	107.52	(0.05)	16.23	159.00	891.18	-	250.52
	1,092.21	55.14	34.96	-	1,112.39	609.12	55.48	-	23.66	-	640.94	0.39	471.06
Taken on finance lease [see Note 34(a)]	122.14	-	1.78	-	120.36	76.17	44.71	-	1.52	-	119.36	-	1.00
	212.31	-	90.17	-	122.14	128.32	38.01	-	90.16	-	76.17	-	45.97
	21,529.77	338.57	97.13	-	21,771.21	11,184.87	588.71	-	84.52	195.48	11,884.54	-	9,886.67
Previous Year	21,595.22	281.08	346.53	-	21,529.77	10,326.08	1,174.32	-	315.53	-	11,184.87	1.81	10,343.09
<b>B. Intangible assets</b>													
Computer software	882.36	47.47	-	-	929.83	695.47	126.24	-	-	-	821.71	-	108.12
	881.60	0.76	-	-	882.36	542.36	153.11	-	-	-	694.7	-	186.89
Previous Year													

## Footnotes:

- Buildings (Cost) include: (i) Residential flats and office premises ₹ 69.54 Lakhs (Previous year: ₹ 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 (Previous year: ₹ 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 (Previous year: ₹ 28.66 Lakhs); and (iv) Jointly owned Residential Premises ₹ 28.39 Lakhs (Previous year: ₹ 28.39 Lakhs).
- Plant and equipment includes jointly owned assets ₹ 10.25 Lakhs (Previous year: ₹ 10.25 Lakhs).
- During the year, pursuant to the notification of Schedule II to the Companies Act, 2013, the Company also revised the estimated useful life of some of its assets. Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company has fully depreciated the carrying value of assets, where the remaining useful life of the assets was determined to be nil as on April 1, 2014 and has adjusted an amount of ₹ 195.48 Lakhs (net of deferred tax of ₹ Nil) against the opening deficit in statement of Profit and Loss under Reserves and Surplus. The depreciation expense in the statement of Profit & Loss Account for the year is lower by ₹ 253.48 Lakhs consequent to the change in the useful life of the assets. Further, based on technical certification, the Company has segregated few assets into land and building element. This has resulted in a credit of ₹ 223 Lakhs in depreciation charged on the land element in the earlier years.
- Figures in italics are in respect of previous year.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

		As at 31st March, 2015	As at 31st March, 2014
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
<b>13. Non - current investments</b>			
<b>Long-term - unquoted (fully paid) [valued at cost unless otherwise stated]</b>			
<b>(a) Trade investments in a subsidiary company</b>			
<b>In equity shares</b>			
8,64,960 (Previous year: 8,64,960) equity shares of SGD 1 each in Forbes Container Lines Pte. Limited		271.26	271.26
<b>(b) Other than trade investments</b>			
<b>In equity shares</b>			
<b>In subsidiaries</b>			
1. 50,385 (Previous year: 50,385) equity shares of ₹ 100 each in Volkart Fleming Shipping and Services Limited	6.82		6.82
2. 38,64,131 (Previous year: 38,64,131) equity shares of ₹ 10 each in Forbes Campbell Finance Limited [At cost less amount written off ₹ 1,143.70 Lakhs and provision for other than temporary diminution in value Nil (Previous year ₹ 1,064.14 Lakhs)]	1,781.78		717.64
3. 37,28,000 (Previous year: 37,28,000) equity shares of ₹ 10 each in Eureka Forbes Limited	4,067.86		4,067.86
4. 50,00,100 (Previous year: 50,00,100) equity shares of ₹ 10 each in Forbes Bumi Armada Offshore Limited	500.01		500.01
5. 1,00,00,000 (Previous year: 1,00,00,000) equity shares of ₹ 10 each in Forbes Technosys Limited	1,000.00		1,000.00
6. 50,000 (Previous year: Nil) equity shares of ₹ 10 each in Campbell Properties & Hospitality Services Limited	5.00		-
7. 4,00,00,000 equity shares of ₹ 10 each in Shapoorji Pallonji Forbes Shipping Limited (formerly known as SCI Forbes Limited) [At cost less provision for other than temporary diminution in value ₹ 2,380 Lakhs]	1,620.00*		-
		8,981.47	6,292.33
<b>In joint ventures</b>			
1. (Previous year: 4,00,00,000) equity shares of ₹ 10 each in Shapoorji Pallonji Forbes Shipping Limited (formerly known as SCI Forbes Limited) [At cost less provision for other than temporary diminution in value (Previous year: ₹ 2,380 Lakhs)]	-*		1,620.00
2. 2,500 (Previous year: 2,500) equity shares of USD 1 each in Edumetry Inc. USA [At cost less provision for other than temporary diminution in value ₹ 35.48 Lakhs (Previous year: ₹ 35.48 Lakhs)]	-		-
		-	1,620.00
<b>In associates</b>			
1. 4,20,170 (Previous year: 4,20,170) equity shares of ₹ 10 each in The Svadeshi Mills Company Limited [At cost less provision for other than temporary diminution in value ₹ 150.33 Lakhs (Previous year: ₹ 150.33 Lakhs)]	-		-
2. 58,849 (Previous year: 58,849) equity shares of ₹ 10 each in Neuvo Consultancy Services Limited [At cost less provision for other than temporary diminution in value ₹ 5.88 Lakhs (Previous year ₹ 5.88 Lakhs)]	-		-
	-		-
<b>In other entities</b>			
1. 5,500 (Previous year: 5,500) equity shares of ₹ 10 each in New India Co-operative Bank Limited	0.55	-	0.55
2. 10 (Previous year: 10) equity shares of ₹ 500 each in Tuticorin Chamber of Commerce [At cost less provision for other than temporary diminution in value ₹ 0.05 Lakh (Previous year ₹ 0.05 Lakh)]	-		-
3. 1,000 (Previous year: 1,000) Equity Shares of Rs. 10 each in Simar Port Private Limited	0.10		0.10
		0.65	0.65
		8,982.12	7,912.98

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

		As at 31st March, 2015	As at 31st March, 2014
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
<b>13. Non - current investments (contd..)</b>			
<b>In preference shares</b>			
<b>In a subsidiary company</b>			
20,00,000 (Previous year: 20,00,000) 8% Cumulative Optionally Convertible Preference Shares of ₹ 10 each in Forbes Technosys Limited	200.00		200.00
2,00,00,000 (Previous year: 2,00,00,000) 8% Cumulative Compulsory Convertible, Optionally Redeemable Preference Shares of ₹ 10 each in Forbes Technosys Limited	2,000.00		2,000.00
3,09,00,000 Zero Percent Redeemable Preference Shares of ₹ 10 each in Shapoorji Pallonji Forbes Shipping Limited (formerly known as SCI Forbes Limited)	3,090.00*		-
<b>In a joint venture company</b>			
(Previous year: 3,09,00,000) Zero Percent Redeemable Preference Shares of ₹ 10 each in Shapoorji Pallonji Forbes Shipping Limited (formerly known as SCI Forbes Limited)	-*		3,090.00
<b>In debentures of a subsidiary company</b>		5,290.00	5,290.00
1,72,67,500 (Previous year: 1,89,67,500) 0.1% Optionally Convertible Redeemable Debentures of ₹ 10 each in Forbes Campbell Finance Limited	1,726.75		1,896.75
		1,726.75	1,896.75
		16,270.13	15,370.99
<b>Footnote:</b>			
Aggregate amount of unquoted investments		16,270.13	15,370.99
Aggregate provision for other than temporary diminution in value of investments		2,571.70	3,635.84
Aggregate amount of write-off of investments		1,143.70	1,143.70
* Re-classified as a subsidiary in the current year based on control acquired over the composition of the Board of Directors.			
<b>14. Long-term loans and advances</b>			
(unsecured, considered good unless otherwise stated)			
(a) Capital advances		125.38	114.50
(b) Security deposits			
(i) Unsecured, considered good	170.67		145.07
(ii) Doubtful	9.80		8.50
	180.47		153.57
Less: Provision for doubtful deposits	9.80		8.50
		170.67	145.07
(c) Loans and advances to related parties (see Notes 33 and 49)			
(i) Secured, considered doubtful	4,716.78		4,716.78
(ii) Unsecured, considered doubtful	112.02		112.02
	4,828.80		4,828.80
Less: Provision for doubtful loans and advances	4,828.80		4,828.80
		-	-
(d) Loans and advances to employees		15.47	14.62
(e) Prepaid expenses		13.86	20.92
(f) Advance income tax including fringe benefit tax [net of provisions ₹ 2,855.00 Lakhs (Previous year : ₹ 2,921.06 Lakhs)]		2,834.34	2,627.84
(g) Advance wealth tax		58.16	58.16
(h) Balances with statutory / government authorities			
(i) Unsecured, considered good	261.57		132.36
(ii) Doubtful	46.69		46.69
	308.26		179.05
Less: Provision for doubtful balances	46.69		46.69
		261.57	132.36
		3,479.45	3,113.47

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	As at 31st March, 2015	As at 31st March, 2014		As at 31st March, 2015	As at 31st March, 2014
	₹ in Lakhs	₹ in Lakhs		₹ in Lakhs	₹ in Lakhs
<b>15. Inventories (valued at lower of cost and net realizable value)</b>			<b>17. Cash and cash equivalents</b>		
(a) (i) Raw materials and components	1,384.55	1,803.98	(a) <b>Balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements</b>		
(ii) Goods in Transit Raw Material	-	190.28	1. Cash on hand	3.95	2.12
	<b>1,384.55</b>	<b>1,994.26</b>	2. Cheques, drafts on hand	9.86	103.41
(b) Work-in-progress (see Note 43)	430.52	373.30	3. Balances with banks:		
(c) Finished goods (see Note 42A)	573.26	728.19	(I) In current accounts	581.04	811.10
(d) Stock-in-trade (in respect of goods acquired for trading) (see Note 42B)	2.19	4.01	(II) In EEFC Accounts	-	4.43
(e) Stores, spares and loose tools	271.38	267.45	III) In deposit accounts (with original maturity upto 3 months).	-	0.61
(f) Real estate development work-in-progress	1,043.30	177.79		<b>581.04</b>	<b>816.14</b>
	<b>3,705.20</b>	<b>3,545.00</b>		<b>594.85</b>	<b>921.67</b>
			<b>(b) Other bank balances</b>		
<b>16. Trade receivables</b>			1. In Earmarked accounts:		
(a) <b>Trade receivables outstanding for a period exceeding six months from the date they are due for payment:</b>			- Unpaid dividends	2.37	7.01
(i) Unsecured, considered good	438.56	687.52	- Interest accrued on unpaid matured deposits	-	3.58
(ii) Doubtful	575.79	548.60		2.37	10.59
	1,014.35	1,236.12	2. In deposit accounts with original maturity of more than 3 months but less than 12 months, deposited with Exim Bank under lien.	5.00	5.00
Less: Provision for doubtful trade receivables	575.79	548.60	3. In deposit accounts with original maturity of more than 3 months but less than 12 months, deposited with customs and port authorities.	-	4.57
	<b>438.56</b>	<b>687.52</b>	4. Balances held as margin money with original maturity of more than 3 months but less than 12 months as guarantees issued in favour of government authorities in respect of license of goods under EPCG Scheme and in favour of customers.	115.68	107.52
<b>(b) Other trade receivables:</b>				<b>123.05</b>	<b>127.68</b>
(i) Unsecured, considered good	4,276.27	3,271.78		<b>717.90</b>	<b>1,049.35</b>
(ii) Doubtful	-	0.08			
	4,276.27	3,271.86			
Less: Provision for doubtful trade receivables	-	0.08			
	<b>4,276.27</b>	<b>3,271.78</b>			
	<b>4,714.83</b>	<b>3,959.30</b>			

### Debts due from private companies in which a director of the Company is a director / member.

Name of the Company	As at 31st March, 2015	As at 31st March, 2014
	₹ in Lakhs	₹ in Lakhs
1. Shapoorji Pallonji and Company Private Limited (Formerly known as Shapoorji Pallonji and Company Limited) [converted to Private Limited Company w.e.f. 3rd September, 2014]	3.59	-
	<b>3.59</b>	<b>-</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	As at 31st March, 2015	As at 31st March, 2014		As at 31st March, 2015	As at 31st March, 2014
₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
<b>18. Short-term loans and advances</b> (unsecured, considered good unless otherwise stated)			<b>19. Other current assets</b> (unsecured, considered good unless otherwise stated)		
(a) Loans and advances to related parties (see Note 33)	65.00	1,289.05	(a) Unbilled Revenue	45.07	61.18
(b) Security deposits	9.75	8.41	(b) Accruals:		
(c) Loans and advances to employees			(i) Interest accrued on deposits with bank	2.77	0.79
(i) Unsecured, considered good	11.37	13.60	(ii) Interest accrued on investments	0.68	1.50
(ii) Doubtful	0.82	0.82	(iii) Interest accrued on loans to related parties	-	274.87
Less: Provision for doubtful loans and advances	12.19	14.42		3.45	277.16
	0.82	0.82	(c) Others:		
	11.37	13.60	(i) Contractually reimbursable expenses		
(d) Prepaid expenses	217.50	183.09	(I) Unsecured, considered good	112.28	102.23
(e) Balances with statutory / government authorities	155.85	263.60	(II) Doubtful	6.62	3.29
(f) Advances for supply of goods and services			Less: Provision for doubtful debts	118.90	105.52
(i) Unsecured, considered good	147.42	224.86		6.62	3.29
(ii) Doubtful	15.91	14.07		112.28	102.23
Less: Provision for doubtful advances	163.33	238.93	(ii) Contractually reimbursable expenses to related parties (see Note 33)		
	15.91	14.07	(I) Unsecured, considered good	310.93	225.05
	147.42	224.86	(II) Doubtful	-	1.11
(g) Other Loans and advances	3.68	6.27	Less: Provision for doubtful debts	310.93	226.16
	610.57	1,988.88		-	1.11
				310.93	225.05
			(iii) Export incentives receivable	117.25	73.73
			(iv) Other receivables	34.44	0.04
				623.42	739.39

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	Year ended 31st March, 2015	Year ended 31st March, 2014		Year ended 31st March, 2015	Year ended 31st March, 2014
	₹ in Lakhs	₹ in Lakhs		₹ in Lakhs	₹ in Lakhs
<b>20. Revenue from operations</b>			<b>22. Cost of materials consumed (see Notes 41A and 47a)</b>		
(a) Sale of products (see Notes 42A and 42B)	16,810.48	14,684.89	Opening stock of raw materials and components	1,994.26	1,889.93
(b) Sale of services			Add: Purchases	5,444.63	5,338.82
(i) Ground rent from container freight stations maintained by the Company	982.99	1,301.75		7,438.89	7,228.75
(ii) Multimodal transport operations and allied services	11,437.15	12,711.01	Less: Closing stock of raw materials and components	1,384.55	1,994.26
(iii) Others	82.15	104.44		<b>6,054.34</b>	<b>5,234.49</b>
	<b>12,502.29</b>	<b>14,117.20</b>	<b>Note:</b>		
(c) Other operating revenues:			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.		
(i) Rent and amenity charges	1,032.12	1,140.77	<b>23. Changes in inventories of finished goods, work-in-progress and stock-in-trade</b>		
(ii) Export Incentives	56.88	37.66	(a) <b>Inventories at the end of the year:</b>		
(iii) Others	50.43	48.27	(i) Finished goods	573.26	728.19
	<b>1,139.43</b>	<b>1,226.70</b>	(ii) Work-in-progress	430.52	373.30
	<b>30,452.20</b>	<b>30,028.79</b>	(iii) Stock-in-trade	2.19	4.01
<b>21. Other income</b>			(iv) Real estate development work-in-progress	1,043.30	177.79
(a) Interest income				<b>2,049.27</b>	<b>1,283.29</b>
(i) on long-term investments in a subsidiary company	1.89	11.23	(b) <b>Inventories at the beginning of the year:</b>		
(ii) on bank deposits	15.69	25.74	(i) Finished goods	728.19	686.03
(iii) on inter-corporate deposits	103.22	180.65	(ii) Work-in-progress	373.30	428.38
(iv) on income-tax refund	108.52	167.61	(iii) Stock-in-trade	4.01	50.65
(v) from customers and others	2.64	4.04	(iv) Real estate development work-in-progress	177.79	70.98
	<b>231.96</b>	<b>389.27</b>		<b>1,283.29</b>	<b>1,236.04</b>
(b) Dividend income			Net (increase)	<b>(765.98)</b>	<b>(47.25)</b>
(i) from long-term investments	0.06	0.05	<b>24. Employee benefits expense</b>		
(ii) from current investments	46.45	42.51	(a) Salaries and wages	4,057.89	3,985.53
	<b>46.51</b>	<b>42.56</b>	(b) Contributions to provident and other funds	364.53	323.18
(c) Profit on sale of fixed assets (net)	<b>37.70</b>	<b>19.59</b>	(c) Staff welfare expenses	281.85	266.11
(d) Net gain on sale of current investments	<b>1.37</b>	<b>0.80</b>		<b>4,704.27</b>	<b>4,574.82</b>
(e) Net gain on foreign currency transaction and translation (other than considered as finance cost)	<b>18.71</b>	<b>0.72</b>	<b>25. Finance costs</b>		
(f) Other non-operating income			(a) Interest expense on:		
(i) Credit balances / provisions written back	<b>80.26</b>	<b>36.88</b>	i) Borrowings	1,578.65	1,342.33
(ii) Provision for trade receivables / doubtful loans and advances no longer required	-	32.09	ii) Trade Payables	20.66	8.86
(iii) Miscellaneous income	<b>201.05</b>	<b>227.10</b>	iii) Delayed payment of taxes	16.42	122.17
	<b>617.56</b>	<b>749.01</b>		<b>1,615.73</b>	<b>1,473.36</b>
			(b) Other borrowing costs - loan processing charges and premium on forward contract	<b>258.29</b>	<b>292.50</b>
			(c) Net loss on foreign currency transactions and translation	-	89.49
				<b>1,874.02</b>	<b>1,855.35</b>



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	Year ended 31st March, 2015	Year ended 31st March, 2014		Year ended 31st March, 2015	Year ended 31st March, 2014
₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
<b>26. Depreciation and amortisation expense</b>			(b) To cost auditors for cost audit	2.50	2.30
(a) Depreciation on tangible assets (see Note 12A)	588.71	1,174.32		56.59	49.65
(b) Amortisation on intangible assets (see Note 12B)	126.24	153.11	* Excludes fee for taxation matters of ₹ 12.00 Lakhs (Previous Year ₹ 17.80 Lakhs), paid to a firm in which some of the partners of the audit firm are partners.		
	<u>714.95</u>	<u>1,327.43</u>			
<b>27. Other expenses</b>					
(a) Consumption of stores and spare parts [after transferring ₹ 155.50 Lakhs (Previous year: ₹ 222.78 Lakhs) to other accounts] (see Note 47b)	703.06	595.77	(p) Bad trade receivables / advances written off	492.21	410.54
(b) (Decrease) / Increase of excise duty on inventory	(24.56)	7.89	Less: Provision held	18.55	398.30
(c) Processing charges	1,255.93	1,221.94		473.66	12.24
(d) Power and fuel	784.09	769.53	(q) Provision for doubtful trade receivables	32.66	229.73
(e) Operating costs for shipping and logistics division			(r) Provision for doubtful loans and advances	5.03	-
(i) Equipment hire charges	237.94	238.91	(s) Provision for estimated losses on onerous contracts	-	60.50
(ii) Transportation, freight, handling and other charges	7,830.02	8,792.11	(t) Provision for impairment of Fixed Assets	-	1.81
	8,067.96	9,031.02	(u) Real estate development expenses - Consultancy and others	865.52	106.81
(f) Rent	329.88	295.39	(v) Net loss on foreign currency transaction and translation (other than considered as finance cost)	21.06	-
(g) Repairs to :			(w) Miscellaneous expenses	1,295.23	1,228.62
(i) Buildings	252.18	200.18		<u>17,692.91</u>	<u>17,606.66</u>
(ii) Machinery	370.51	450.07			
(iii) Others	259.45	322.38			
	882.14	972.63	<b>28. Exceptional items - Income / (Expense)</b>		
(h) Insurance	101.24	100.93	(a) Termination benefits and one time settlement with employees	(80.57)	(186.50)
(i) Rates and taxes (excluding taxes on income)	367.94	128.63	(b) Reversal / (Provision) for diminution in the value of investments (net)	1,064.15	(1,214.14)
(j) Brokerage, commission, discount and other selling expenses	1,288.22	1,550.80		<u>983.58</u>	<u>(1,400.64)</u>
(k) Printing and Stationery	96.20	104.08			
(l) Communication	151.54	139.96			
(m) Legal and professional charges	604.68	662.38			
(n) Travelling and conveyance	334.84	336.35			
(o) Payments to auditors (net of service tax input credit, where applicable):					
(a) To statutory auditors					
(i) For audit	40.00	34.00			
(ii) For taxation matters *	-	-			
(iii) For company law matters	0.35	0.35			
(iv) For other services	13.40	12.80			
(v) For reimbursement of expenses	0.34	0.20			
	<u>54.09</u>	<u>47.35</u>			

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	As at 31st March, 2015 ₹ in Lakhs	As at 31st March, 2014 ₹ in Lakhs
<b>29. Contingent liabilities:</b>		
<b>(a) Claims against the Company not acknowledged as debts</b>		
<b>1) Tax matters:-</b>		
(i) Excise demand (Advance paid against the demand ₹ 29.36 Lakhs; Previous year ₹ 29.13 Lakhs)	4,774.54	4,723.51
(ii) Sales tax (Advance paid against the demand ₹ 225.16 Lakhs; Previous year ₹ 94.91 Lakhs)	2,297.83	809.49
(iii) Income-tax (Advance paid against the demand ₹ 1,347.30 Lakhs; Previous year ₹ 981.18 Lakhs)	4,136.46	1,243.88
(iv) Service-tax	732.68	691.01
(v) Entry-tax (Advance paid ₹ 38.45 Lakhs; Previous year ₹ 38.45 Lakhs)	76.90	38.45
(vi) Customs duty (Advance paid ₹ 0.18 Lakhs; Previous year ₹ Nil)	2.00	-
(vii) Wealth tax (Advance paid ₹ 14.95 Lakhs; Previous year ₹ 36.12 Lakhs)	14.95	36.12
(viii) Property tax	451.61	551.61
2) Labour matters in dispute	9.00	6.00
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
4) Customer claims (Advance paid against the demand ₹ 50.18 Lakhs; Previous year ₹ Nil)	3,042.26	2,582.93
5) Supplier claims	-	15.00
6) Other legal matters	6.20	6.20
<b>(b) Guarantees:-</b>		
(i) Guarantees given on behalf of Shipping Principals including subsidiary and Surety Bonds jointly executed with third parties in favour of customs and other parties	12,404.50	14,193.93
(ii) Guarantee on behalf of a subsidiary company	2,801.55	2,676.52
(iii) Corporate Guarantee on behalf of a subsidiary company	16,920.00	11,920.00

### Note:

In respect of items mentioned above, till the matters are finally decided, the timing of outflow of economic benefits cannot be ascertained.

## 30. Capital and other commitments

- Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 188.61 Lakhs; (Previous year: ₹ 311.72 Lakhs) [against which advance paid aggregating ₹ 125.38 Lakhs; (Previous year: ₹ 114.50 Lakhs)]
- For commitments relating to lease arrangements, see Note 34(a).
- The Company has agreed to provide continuing financial support to Forbes Container Lines Pte. Ltd. a wholly owned subsidiary, to meet all its obligation, to the extent the subsidiary is unable to meet its obligations.

## 31. Employee benefits obligations

### Defined-contribution plans:

The Company has recognised the following amounts in the statement of profit and loss in note 24(b), "Contribution to provident and other funds":

Particulars	Year ended 31st March, 2015 ₹ in Lakhs	Year ended 31st March, 2014 ₹ in Lakhs
Provident fund	167.72	169.61
Superannuation fund	64.47	107.44
Total contribution	232.19	277.05

### Defined-benefits plans:

In terms of the guidance note issued by the Institute of Actuaries of India, the actuary has provided a valuation of provident fund liability based on the assumptions listed below and determined a shortfall of ₹ Nil (Previous year ₹ 10.54 Lakhs) as at 31st March, 2015 and the same is recognised to the statement of profit and loss based on actuarial valuation.

The assumptions used in determining the present value of obligation of the interest rate guarantee under deterministic approach are:-

	31st March, 2015	31st March, 2014
Remaining terms of maturity (in years)	15	14
Expected guaranteed interest rate	7.99%	8.75%
Discount rate for the remaining term to maturity of interest portfolio	7.99%	9.32%

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015**

Details of defined benefit plans are as follows:

(₹ in Lakhs)

	<b>31st March, 2015</b>		<i>31st March, 2014</i>	
	<b>Funded</b>	<b>Non funded</b>	<i>Funded</i>	<i>Non funded</i>
	<b>Gratuity</b>	<b>Others (Post Retirement medical and non compete fees)</b>	<i>Gratuity</i>	<i>Others (Post Retirement medical and non compete fees)</i>
Present value of commitments	855.70	433.40	785.34	401.67
Fair value of plan assets	729.31	-	764.11	-
Net liability in the balance sheet	126.39	433.40	21.23	401.67

<b>Defined benefit commitments:</b>				
<b>Opening balance as at 1<sup>st</sup> April</b>	785.34	401.67	968.85	389.39
Interest expenses	73.19	37.44	69.70	32.13
Current service cost	37.48	4.00	42.30	4.53
Paid benefits	(114.85)	(58.94)	(272.81)	(53.96)
Actuarial (gain) / loss	74.54	49.23	(22.70)	29.58
<b>Closing balance as at 31<sup>st</sup> March</b>	<b>855.70</b>	<b>433.40</b>	785.34	401.67

<b>Plan assets</b>				
<b>Opening balance as at 1<sup>st</sup> April</b>	764.11	-	775.07	-
Expected return on scheme assets	66.48	-	58.11	-
Contributions by the Company	16.44	-	195.75	-
Paid funds	(114.85)	-	(272.81)	-
Actuarial gain / (loss)	(2.87)	-	7.99	-
<b>Closing balance as at 31st March</b>	<b>729.31</b>	-	764.11	-

<b>Return on plan assets</b>				
Expected return on plan assets	66.48	-	58.11	-
Actuarial gain / (loss)	(2.87)	-	7.99	-
Actual return on plan assets	<b>63.61</b>	-	66.10	-

<b>Expenses on defined benefit plan:</b>				
Current service costs	37.48	4.00	42.30	4.53
Interest expense	73.19	37.44	69.70	32.13
Expected return on investment	(66.48)	-	(58.11)	-
Net actuarial (gain) / loss	77.41	49.23	(30.69)	29.58
Expenses charged to the statement of profit and loss	<b>121.60</b>	<b>90.67</b>	23.20	66.24

**Investment details**

Funds managed by Insurer

<b>31st March, 2015</b>	<i>31st March, 2014</i>
100%	100%

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

The actuarial calculations used to estimate defined benefit commitments for gratuity and expenses are based on the following assumptions which if changed, would affect the defined benefit commitment's size, funding requirements and expense.

	31st March, 2015	31st March, 2014
Rate for discounting liabilities	7.99%	9.32%
Expected salary increase rate	6.00%	6.00%
Expected return on scheme assets	7.99%	8.70%
Mortality rates	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

The actuarial calculations used to estimate defined benefit commitments for medical quota are based on the following assumptions which if changed, would affect the defined benefit commitment's size, funding requirements and expense:

	31st March, 2015	31st March, 2014
Rate for discounting liabilities	7.96%	9.32%

### Experience adjustment:

#### Gratuity

	2014-15	2013-14	2012-13	2011-12	2010-11
Defined benefit obligation	855.70	785.34	968.85	875.16	892.81
Plan asset	729.31	764.11	775.07	601.68	596.49
Deficit in plan asset	126.39	21.23	193.78	273.48	296.32
Experience adjustment on plan assets gain / (loss)	(2.87)	7.99	6.13	7.04	20.95
Experience adjustment on plan liabilities loss / (gain)	(2.47)	32.01	119.55	75.75	143.02

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

The contribution expected to be made by the Company during the financial year 2015-16 is ₹ 101.57 Lakhs (Previous year: ₹ 58.70 Lakhs).

### Other Post Retirement Benefits

The information in respect of medical cost trend rates and the effect of an increase / decrease of 1% point in the assumed medical cost trend rates on current service cost, interest cost, accumulated post employment benefit cost and experience adjustment is not available; during the year, medical cost of ₹ 4.34 Lakhs (Previous year: ₹ (12.05) Lakhs) is recognised to the statement of profit and loss based on actuarial valuation.

The Company has charged amounts aggregating ₹ 86.33 Lakhs; (Previous year: ₹ 78.29 Lakhs) to the statement of profit and loss based on actuarial valuation [Present value of future obligation as at 31st March, 2015 ₹ 411.57 Lakhs; (Previous year: ₹ 384.17 Lakhs)] and paid ₹ 58.92 Lakhs (Previous year: ₹ 53.96 Lakhs), towards the post retirement arrangements to former Managing Directors and other Directors.

## 32. Segment reporting

The Company has identified business segments as its primary segment and geographical segment as its secondary segment. Business segments are primarily "Engineering", "Shipping and logistics services", "Real estate" and "Energy Solution" segment. 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 FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

## (a) Information about primary business segments for the year:

(₹ in Lakhs)

Particulars	Engineering		Shipping and logistics services		Real estate		Energy Solution		Elimination		Total	
	31st March, 2015	31st March, 2014	31st March, 2015	31st March, 2014	31st March, 2015	31st March, 2014	31st March, 2015	31st March, 2014	31st March, 2015	31st March, 2014	31st March, 2015	31st March, 2014
External segment revenue	13,214.75	12,472.53	12,428.17	14,029.70	1,024.09	1,123.83	2,070.64	971.12				
Add: Inter segment revenue	-	-	-	-	76.30	117.10	-	-	(76.30)	(117.10)		
<b>Revenue from operations</b>	<b>13,214.75</b>	<b>12,472.53</b>	<b>12,428.17</b>	<b>14,029.70</b>	<b>1,100.39</b>	<b>1,240.93</b>	<b>2,070.64</b>	<b>971.12</b>	<b>(76.30)</b>	<b>(117.10)</b>	<b>28,737.65</b>	<b>28,597.18</b>
<b>Segment Results-before Exceptional Items</b>	<b>1,536.65</b>	<b>1,081.21</b>	<b>274.81</b>	<b>629.49</b>	<b>831.63</b>	<b>1,037.44</b>	<b>83.18</b>	<b>(1,097.04)</b>	-	-	<b>2,726.27</b>	<b>1,651.10</b>
Exceptional items allocated to segments	(80.57)	(186.50)	-	-	-	-	-	-	-	-	(80.57)	(186.50)
<b>Segment Results-after exceptional items</b>	<b>1,456.08</b>	<b>894.71</b>	<b>274.81</b>	<b>629.49</b>	<b>831.63</b>	<b>1,037.44</b>	<b>83.18</b>	<b>(1,097.04)</b>	-	-	<b>2,645.70</b>	<b>1,464.60</b>
Add: Unallocated income											442.00	586.92
Less: Unallocated expenses											(2,335.68)	(1,953.19)
Less: Exceptional items other than related to segments (net)											1,064.15	(1,214.14)
<b>Profit / (Loss) before tax and finance costs</b>											<b>1,816.17</b>	<b>(1,115.81)</b>
Less: Finance costs											1,874.02	1,855.35
<b>(Loss) before tax</b>											<b>(57.85)</b>	<b>(2,971.16)</b>
<b>Provision for taxation:</b>												
Current tax expense											-	-
<b>(Loss) after tax</b>											<b>(57.85)</b>	<b>(2,971.16)</b>
<b>Capital employed</b>												
<b>Segment assets</b>	<b>7,654.07</b>	<b>7,399.15</b>	<b>4,920.36</b>	<b>5,638.83</b>	<b>4,258.09</b>	<b>3,200.01</b>	<b>2,632.85</b>	<b>2,719.82</b>	-	-	<b>19,465.37</b>	<b>18,957.81</b>
Unallocated corporate assets											20,678.74	21,397.90
<b>Total assets</b>											<b>40,144.11</b>	<b>40,355.71</b>
<b>Segment liabilities</b>	<b>2,754.42</b>	<b>2,171.52</b>	<b>2,164.70</b>	<b>2,308.90</b>	<b>1,452.53</b>	<b>4,232.68</b>	<b>1,108.46</b>	<b>1,365.49</b>	-	-	<b>7,480.11</b>	<b>10,078.59</b>
Unallocated corporate liabilities											1,909.10	1,462.85
<b>Total liabilities</b>											<b>9,389.21</b>	<b>11,541.44</b>
<b>Capital employed</b>	<b>4,899.65</b>	<b>5,227.63</b>	<b>2,755.66</b>	<b>3,329.93</b>	<b>2,805.56</b>	<b>(1,032.67)</b>	<b>1,524.39</b>	<b>1,354.33</b>	-	-	<b>30,754.90</b>	<b>28,814.27</b>
<b>Cost incurred to acquire segment assets including adjustments on account of capital work-in-progress</b>	<b>274.59</b>	<b>113.07</b>	<b>22.54</b>	<b>18.11</b>	<b>24.94</b>	<b>24.03</b>	-	-	-	-	<b>322.07</b>	<b>155.21</b>
Unallocated cost incurred to acquire assets including adjustments on account of capital work-in-progress											32.44	51.66
<b>Total capital expenditure</b>											<b>354.51</b>	<b>206.87</b>
<b>Segment depreciation / amortisation</b>	<b>364.05</b>	<b>819.52</b>	<b>380.37</b>	<b>343.19</b>	<b>(122.44)</b>	<b>84.94</b>	<b>10.47</b>	<b>9.87</b>	-	-	<b>632.45</b>	<b>1,257.52</b>
Unallocated corporate depreciation / amortisation											82.50	69.91
<b>Total depreciation / amortisation</b>											<b>714.95</b>	<b>1,327.43</b>
<b>Non-cash segment expenses other than depreciation</b>	<b>16.97</b>	<b>36.63</b>	<b>50.05</b>	<b>204.86</b>	-	-	<b>0.10</b>	<b>60.50</b>	-	-	<b>67.12</b>	<b>301.99</b>
Unallocated non-cash expenses other than depreciation											(619.92)	1,216.43
<b>Total non-cash expenses other than depreciation</b>											<b>(552.80)</b>	<b>1,518.42</b>

## (b) Information about geographical business segment for the year

	Within india		Outside india		Unallocated		Total	
	31st March, 2015	31st March, 2014	31st March, 2015	31st March, 2014	31st March, 2015	31st March, 2014	31st March, 2015	31st March, 2014
<b>Revenue</b>	<b>26,777.38</b>	<b>26,604.88</b>	<b>1,960.27</b>	<b>1,992.30</b>	-	-	<b>28,737.65</b>	<b>28,597.18</b>
<b>Assets</b>	<b>19,026.22</b>	<b>18,583.03</b>	<b>439.15</b>	<b>374.78</b>	<b>20,678.74</b>	<b>21,397.90</b>	<b>40,144.11</b>	<b>40,355.71</b>
<b>Cost incurred to acquire segment assets including adjustments on account of capital work-in-progress</b>	<b>322.07</b>	<b>155.21</b>	-	-	<b>32.44</b>	<b>51.66</b>	<b>354.51</b>	<b>206.87</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

### 33. (a) Related party disclosures

#### (A) Holding Company

Shapoorji Pallonji and Company Private Limited (Formerly known as Shapoorji Pallonji and Company Limited)

#### (B) Subsidiary Companies

1 Eureka Forbes Limited and its subsidiaries:

a) Aquamall Water Solutions Limited and its subsidiary:

i) Aquadiagnostics Water Research & Technology Centre Limited

ii) Forbes Lux International AG and its subsidiary:

- Lux International AG and its subsidiaries:
  - Lux del Paraguay S.A (Formerly known as Hogar Paraguay Electrodomesticos S.A)
  - Lux Italia srl
  - Forbes Lux Group AG Baar and its subsidiary:
    - > Lux /Sk /s.r.o
  - Lux Schweiz AG
  - Lux (Deutschland) GmbH and its subsidiaries:
    - > Lux Service GmbH
    - > Lux Norge A/s
    - > Lux Oesterreich GmbH
    - > Lux CZ s.r.o
    - > Lux Hungaria Kereskedelmi Kft
  - LIAG Trading & Investment Limited (w.e.f. 4th February, 2015)

b) EFL Mauritius Limited

c) Euro Forbes Limited Dubai and its subsidiary:

i) Forbes Lux FZCO

d) Forbes Facility Services Pvt. Limited

e) Forbes Enviro Solutions Limited

f) Waterwings Equipments Pvt.Ltd.

g) Radiant Energy Systems Pvt.Ltd.

h) Euro Forbes Financial Services Limited

2 Forbes Campbell Finance Limited and its subsidiaries

a) Forbes Bumi Armada Limited

b) Forbes Campbell Services Limited

c) Forbes Edumetry Limited (Under voluntary winding up)

d) Forbes Technosys Limited

3 Forbes Bumi Armada Offshore Limited

4 Forbes Container Lines Pte. Limited and its subsidiary: \*

a) Forbesline Shipping Services LLC \*

5 Shapoorji Pallonji Forbes Shipping Limited (Formerly known as SCIForbes Ltd. w.e.f. 1st December, 2014)

6 Campbell Properties & Hospitality Services Limited (w.e.f. 30th December, 2014)

7 Volkart Fleming Shipping and Services Limited

#### (C) Fellow Subsidiaries (where there are transactions):

1 Afcons Infrastructure Limited

2 Forvol International Services Limited

3 Gokak Textiles Limited

4 Shapoorji Pallonji Investment Advisors Pvt.Limited

5 Shapoorji Pallonji Energy (Gujarat) Pvt. Limited

6 Sterling and Wilson Pvt. Limited

7 SP Fabricators Pvt. Limited

8 SP Architectural Coatings Pvt. Limited

#### (D) Associate Companies (where there are transactions):

1 The Svadeshi Mills Company Limited

2 Coromondal Garments Limited (Subsidiary of The Svadeshi Mills Company Limited)

3 Neuvo Consultancy Service Limited

#### (E) Joint Ventures (where there are transactions):

1 Edumetry Inc

2 Nypro Forbes Products Limited (Joint venture of Forbes Campbell Finance Limited) (Upto 23rd February, 2015)

3 SCI Forbes Limited (Now known as Shapoorji Pallonji Forbes Shipping Limited) (Upto 30th November, 2014)

#### (F) Key Management Personnel:

Managing Director, Mr. Ashok Barat

\* For the purpose of Companies Act, 2013, this will be treated as an Associate Company.



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

## 33. Related party disclosures (contd.)

₹ In Lakhs

## (b) Details of related party transactions during the year ended 31st March, 2015 and balances outstanding as at 31st March, 2015:

		Party in A above	Parties in B above	Parties in C above	Parties in D above	Parties in E above	Parties in F above	Total
	<b>Nature of Transaction</b>							
	<b>Purchases / Services</b>							
1	Fixed Assets	-	2.78	-	-	-	-	2.78
		-	4.20	-	-	-	-	4.20
2	Services Received	-	-	-	-	-	-	-
		-	0.11	-	-	-	-	0.11
	<b>Sales / Services</b>							
3	Goods and Materials	-	22.26	271.22	-	-	-	293.48
		-	-	-	-	-	-	-
4	Services Rendered	9.92	174.36	6.60	-	-	-	190.88
		-	198.02	3.79	-	0.54	-	202.35
5	Fixed Asset	-	1.29	-	-	-	-	1.29
		-	-	-	-	-	-	-
	<b>Expenses</b>							
6	Rent	-	8.40	-	-	-	-	8.40
		-	8.40	-	-	-	-	8.40
7	Travelling and conveyance expenses	-	0.24	108.44	-	-	-	108.68
		-	-	109.23	-	-	-	109.23
8	Legal and professional charges	-	135.29	-	-	-	-	135.29
		-	122.57	-	-	-	-	122.57
9	Transportation, freight, handling and other charges	-	118.66	-	-	-	-	118.66
		-	105.96	-	-	-	-	105.96
10	Recovery of Expenses	-	-	-	-	-	-	-
		-	-	-	0.42	0.18	-	0.60
11	Diminution in Value of Investments	-	(1,064.14)	-	-	-	-	(1,064.14)
		-	1,064.14	-	-	150.00	-	1,214.14
12	Provision for doubtful loans and advances	-	-	-	-	-	-	-
		-	-	-	-	0.75	-	0.75
13	Bad trade receivables / advances written off	-	-	-	-	444.23	-	444.23
		2.11	356.82	-	-	-	-	358.93
14	Remuneration	-	-	-	-	-	129.67	129.67
		-	-	-	-	-	121.09	121.09
15	Miscellaneous expenses	-	62.21	0.28	-	-	-	62.49
		-	72.11	0.14	-	-	-	72.25
16	<b>Dividend payment</b>	-	-	-	-	-	-	-
		46.48	0.83	-	-	-	-	47.31
	<b>Income</b>							
17	Rent and Other Service Charges	35.61	216.92	99.80	-	-	-	352.33
		23.35	180.12	52.14	-	0.12	-	255.73
18	Interest Received	-	14.94	-	-	90.18	-	105.12
		-	47.83	-	-	144.05	-	191.88
	<b>Other Receipts</b>							
19	Other Reimbursements	-	82.89	20.27	5.73	-	-	108.89
		0.33	104.85	4.91	-	2.71	-	112.80

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

### 33. Related party disclosures (contd.)

₹ In Lakhs

#### (b) Details of related party transactions during the year ended 31st March, 2015 and balances outstanding as at 31st March, 2015:

		Party in A above	Parties in B above	Parties in C above	Parties in D above	Parties in E above	Parties in F above	Total
	<b>Finance</b>							
20	Inter-corporate deposits given	-	-	-	-	-	-	-
		-	200.00	-	-	103.53	-	303.53
21	Deposit Given	-	7.00	-	14.50	-	-	21.50
		-	-	-	-	-	-	-
22	Repayment of Deposits Given	-	127.00	-	5.73	976.16	-	1,108.89
		-	400.00	-	-	100.00	-	500.00
23	Investment in Subsidiaries	-	5.00	-	-	-	-	5.00
		-	395.01	-	-	-	-	395.01
24	Investment in Non Convertible Debentures of Subsidiaries	-	-	-	-	-	-	-
		-	750.00	-	-	-	-	750.00
25	Redemption of Investment	-	170.00	-	-	-	-	170.00
		-	-	-	-	-	-	-
26	Advances received from customer	-	-	-	-	-	-	-
		-	10.50	-	-	-	-	10.50
	<b>Guarantees</b>							
27	Given on behalf of Shipping Principals (Renewed)	-	-	-	-	-	-	-
		-	7,828.09	-	-	-	-	7,828.09
28	Given on behalf of a Subsidiary	-	5,000.00	-	-	-	-	5,000.00
		-	8,500.00	-	-	-	-	8,500.00
	<b>Outstandings</b>							
29	Trade Payables	-	710.37	7.01	-	-	-	717.38
		-	611.19	4.65	-	0.18	-	616.02
30	Advances received from customer	-	-	-	-	-	-	-
		-	10.50	-	-	-	-	10.50
31	Interest accrued	-	0.68	-	-	-	-	0.68
		-	7.64	-	-	268.73	-	276.37
32	Trade Receivables	3.59	124.68	317.16	20.15	-	-	465.58
		4.33	68.49	0.10	20.15	-	-	93.07
33	Long Term Loans and Advances	-	-	-	4,756.77	72.03	-	4,828.80
		-	-	-	4,756.77	72.03	-	4,828.80
34	Contractually reimbursable expenses	-	289.53	12.13	9.27	-	-	310.93
		-	209.16	15.39	1.61	-	-	226.16
35	Provision for Doubtful Loans and Advances	-	-	-	4,756.77	72.03	-	4,828.80
		-	-	-	4,757.88	72.03	-	4,829.91
36	Provision for Doubtful Trade Receivables	-	-	-	20.15	-	-	20.15
		-	-	-	20.15	-	-	20.15
37	Deposits Receivable	-	5.00	-	-	-	-	5.00
		-	5.00	-	-	-	-	5.00
38	Short Term Loans and Advances	-	65.00	-	-	-	-	65.00
		-	185.52	-	-	1,103.53	-	1,289.05
39	Guarantees Given	-	28,626.05	-	-	-	-	28,626.05
		-	26,904.61	-	-	-	-	26,904.61
40	Guarantees Taken	3,130.22	-	-	-	-	-	3,130.22
		2,990.53	-	-	-	-	-	2,990.53

#### Footnotes:

i) Figures in italics are in respect of the previous year.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

33. Related party disclosures (contd.)  
(c) The above Transactions include:

(c) The above Transactions include:													₹ In Lakhs			
		A	B	B	B	B	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 Edumetry Ltd.	Forbes Technosys Ltd.	Forbes Bumi Armada Offshore Ltd	Forbes Container Lines Pte. Ltd.	Campbell Properties & Hospitality Services Ltd.				
S. No.	Nature of Transaction															
	Purchases / Services															
1	Fixed Assets	-	-	-	-	-	-	-	2.78 4.20	-	-	-				
2	Services Received	-	-	-	-	-	-	-	-	-	-	-				
			0.11													
3	Sales / Services	-	-	-	-	-	-	-	-	-	-	-				
	Goods and Materials	-	-	-	-	-	-	-	-	-	-	-				
4	Services Rendered	-	-	-	-	-	-	-	-	29.82	170.20 153.96	-				
5	Fixed Asset	-	-	-	-	-	-	-	1.29	-	-	-				
6	Expenses	-	-	-	-	3.60 3.60	-	-	-	-	-	-				
	Rent	-	-	-	-	-	-	-	-	-	-	-				
7	Travelling and conveyance expenses	-	-	-	-	-	-	-	-	-	-	-				
8	Legal and professional charges	-	-	-	-	-	-	-	54.29 41.57	-	-	-				
9	Transportation, freight, handling and other charges	-	-	-	-	-	-	-	-	-	118.66 105.96	-				
10	Recovery of Expenses	-	-	-	-	-	-	-	-	-	-	-				
11	Diminution in Value of Investments	-	-	-	-	(1,064.14) 1,064.14	-	-	-	-	-	-				
12	Provision for doubtful loans and advances	-	-	-	-	-	-	-	-	-	-	-				
13	Bad trade receivables / advances written off	-	-	-	-	-	-	356.82	-	-	-	-				
14	Remuneration	-	-	-	-	-	-	-	-	-	-	-				
15	Miscellaneous expenses	-	-	-	14.78 27.68	-	43.94 43.78	-	-	-	-	-				
16	Dividend payment	46.48	-	-	-	-	-	-	-	-	-	-				
17	Income	35.61	-	-	-	-	-	-	214.52 178.28	-	-	-				
	Rent and Other Service Charges															
18	Interest Received	-	-	-	-	-	-	-	24.29	-	-	-				
19	Other Receipts	-	-	-	-	-	-	-	-	-	-	-				
	Other Reimbursements															

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

### 33. Related party disclosures (contd.) (c) The above Transactions include:

			B	C	C	C	C	C	D	E	E	F	
			Volkart Fleming Shipping & Services Ltd.	Afcons Infrastructure Ltd.	Forvol International Services Ltd.	Shapoorji Pallonji Investment Advisors Pvt. Ltd.	Sterling and Wilson Pvt. Ltd.	The Svadeshi Mills Company Ltd.	Neuvo Consultancy Service Ltd.	Edumetry Inc.	Nyropro Forbes Products Ltd.	SCI Forbes Ltd.	Managing Director, Mr. Ashok Barot
S. No.	Nature of Transaction												
	Purchases / Services												
1	Fixed Assets	-	-	-	-	-	-	-	-	-	-	-	-
2	Services Received	-	-	-	-	-	-	-	-	-	-	-	-
	Sales / Services												
3	Goods and Materials	-	-	-	-	-	271.22	-	-	-	-	-	-
4	Services Rendered	-	-	-	-	-	-	-	-	-	-	-	-
5	Fixed Asset	-	-	-	-	-	-	-	-	-	-	-	-
	Expenses												
6	Rent	4.80	-	-	-	-	-	-	-	-	-	-	-
		4.80	-	-	-	-	-	-	-	-	-	-	-
7	Travelling and conveyance expenses	-	-	-	108.44	-	-	-	-	-	-	-	-
		-	-	-	107.24	-	-	-	-	-	-	-	-
8	Legal and professional charges	81.00	-	-	-	-	-	-	-	-	-	-	-
		81.00	-	-	-	-	-	-	-	-	-	-	-
9	Transportation, freight, handling and other charges	-	-	-	-	-	-	-	-	-	-	-	-
10	Recovery of Expenses	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-
11	Diminution in Value of Investments	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-
12	Provision for doubtful loans and advances	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-
13	Bad trade receivables / advances written off	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-
14	Remuneration	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-
15	Miscellaneous expenses	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-
16	Dividend payment	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-
	Income												
17	Rent and Other Service Charges	-	45.08	-	-	-	-	-	-	-	-	-	-
		-	-	-	25.68	-	-	-	-	-	-	-	-
18	Interest Received	13.05	-	-	-	-	-	-	-	-	90.18	-	-
		22.20	-	-	-	-	-	-	-	-	144.05	-	-
	Other Receipts												
19	Other Reimbursements	73.71	17.15	-	-	-	-	-	-	-	-	-	-
		74.70	-	-	-	-	-	-	-	-	-	-	-

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

33. Related party disclosures (contd.)  
(c) The above Transactions include:

₹ In Lakhs

S. No.	Nature of Transaction	A Shapoorji Pallonji and Company Pvt. Ltd.	B Eureka Forbes Ltd.	B Aquamal Water Solutions Ltd.	B Forbes Facility Services Pvt. Ltd.	B Forbes Campbell Finance Ltd.	B Forbes Campbell Services Ltd.	B Forbes Edumetry Ltd.	B Forbes Technosys Ltd.	B Forbes Bumi Armada Offshore Ltd	B Forbes Lines Container Lines Pte. Ltd.	B Campbell Properties & Hospitality Services Ltd.
20	Finance	-	-	-	-	-	-	-	-	-	-	-
21	Inter-corporate deposits given	-	-	-	-	-	-	-	200.00	-	-	-
22	Deposit Given	-	5.00	-	-	-	-	-	-	-	-	-
23	Repayment of Deposits Given	-	-	-	-	-	-	-	400.00	-	-	-
24	Investment in Subsidiaries	-	-	-	-	-	-	-	-	395.01	-	5.00
25	Investment in Non Convertible Debentures of Subsidiaries	-	-	-	-	-	-	-	-	-	-	-
26	Redemption of Investment	-	-	-	-	750.00	-	-	-	-	-	-
27	Advances received from customer	-	-	-	-	170.00	-	-	-	-	-	-
28	Guarantees	-	-	-	-	-	-	-	-	-	-	-
29	Given on behalf of Shipping Principals (Renewed)	-	-	-	-	-	-	-	5,000.00	-	7,828.09	-
30	Given on behalf of a Subsidiary	-	-	-	-	-	-	-	8,500.00	-	-	-
31	Outstandings	-	-	-	-	-	-	-	-	-	-	-
32	Trade Payables	-	-	-	-	-	-	-	105.27	-	600.72	-
33	Advances received from customer	-	-	-	-	-	-	-	-	-	557.03	-
34	Interest accrued	-	-	-	-	-	-	-	-	-	-	-
35	Trade Receivables	-	-	-	-	0.68	-	-	118.43	-	-	-
36	Long Term Loans and Advances	-	-	-	-	-	-	-	65.22	-	-	-
37	Contractually reimbursable expenses	-	-	-	-	-	-	-	-	-	-	-
38	Provision for Doubtful Loans and Advances	-	-	-	-	-	-	-	287.40	-	-	-
39	Provision for Doubtful Trade Receivables	-	-	-	-	-	-	-	201.22	-	-	-
40	Deposits Receivable	-	-	-	-	-	-	-	-	-	-	-
41	Short Term Loans and Advances	-	-	-	-	5.00	-	-	-	-	-	-
42	Guarantees Given	-	-	-	-	5.00	-	-	-	-	-	-
43	Guarantees Taken	-	-	-	-	-	-	-	16,920.00	-	8,904.50	-
44		-	-	-	-	-	-	-	11,920.00	-	12,308.09	-
45		3,130.22	-	-	-	-	-	-	-	-	-	-
46		2,990.53	-	-	-	-	-	-	-	-	-	-

## Footnote:

Figures in italics are in respect of the previous year.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

### 33. Related party disclosures (contd.) (c) The above Transactions include:

(c) The above Transactions include:												₹ In Lakhs		
	S. No.	Nature of Transaction	B	C	C	C	C	C	D	E	E	E	F	
			Volkart Fleming Shipping & Services Ltd.	Afcons Infrastructure Ltd.	Forvol International Services Ltd.	Shapoorji Pallonji Investment Advisors Pvt. Ltd.	Sterling and Wilson Pvt. Ltd.	The Svadeshi Mills Company Ltd.	Neuvo Consultancy Service Ltd.	Edumetry Inc.	Nyropro Forbes Products Ltd.	SCI Forbes Ltd.	Managing Director, Mr. Ashok Barot	
	20	Finance	-	-	-	-	-	-	-	-	-	-	-	
	21	Inter-corporate deposits given	-	-	-	-	-	-	-	-	103.53	-	-	
	22	Deposit Given	-	-	-	-	-	-	14.50	-	-	-	-	
	23	Repayment of Deposits Given	120.00	-	-	-	-	-	-	-	976.16	-	-	
	24	Investment in Subsidiaries	-	-	-	-	-	-	-	-	100.00	-	-	
	25	Investment in Non Convertible Debentures of Subsidiaries	-	-	-	-	-	-	-	-	-	-	-	
	26	Redemption of Investment	-	-	-	-	-	-	-	-	-	-	-	
	27	Advances received from customer	-	-	-	-	-	-	-	-	-	-	-	
	28	Guarantees	-	-	-	-	-	-	-	-	-	-	-	
	29	Given on behalf of Shipping Principals (Renewed)	-	-	-	-	-	-	-	-	-	-	-	
	30	Given on behalf of a Subsidiary	-	-	-	-	-	-	-	-	-	-	-	
	31	Outstandings	-	-	-	-	-	-	-	-	-	-	-	
	32	Trade Payables	-	-	-	-	-	-	-	-	-	-	-	
	33	Advances received from customer	-	-	-	-	-	-	-	-	-	-	-	
	34	Interest accrued	-	-	-	-	-	-	-	-	268.73	-	-	
	35	Trade Receivables	-	-	-	-	316.15	-	-	-	-	-	-	
	36	Long Term Loans and Advances	-	-	-	-	-	20.15	-	-	-	-	-	
	37	Contractually reimbursable expenses	-	-	-	-	-	4,391.78	-	-	-	-	-	
	38	Provision for Doubtful Loans and Advances	-	-	-	-	-	4,391.78	-	-	-	-	-	
	39	Provision for Doubtful Trade Receivables	-	-	-	-	-	4,391.78	-	-	-	-	-	
	40	Deposits Receivable	-	-	-	-	-	20.15	-	-	-	-	-	
	41	Short Term Loans and Advances	65.00	-	-	-	-	-	-	-	-	-	-	
	42	Guarantees Given	185.00	-	-	-	-	-	-	-	1,103.53	-	-	
	43	Guarantees Taken	-	-	-	-	-	-	-	-	-	-	-	

**Footnote:**  
Figures in italics are in respect of the previous year.



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

## 34. Leases

## (a) Finance lease: Company as lessee

The Company has acquired Office Equipments under finance lease for four years.

(i) The gross carrying amount and the accumulated depreciation at the balance sheet date are ₹ 120.38 Lakhs; (Previous year: ₹ 122.14 Lakhs) and ₹ 119.36 Lakhs; (Previous year: ₹ 76.17 Lakhs) respectively.

(ii) Depreciation recognised in the statement of profit and loss is ₹ 44.71 Lakhs; (Previous year: ₹ 38.01 Lakhs).

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:

Period	As at 31st March, 2015		As at 31st March, 2014	
	MLP	PV of MLP	MLP	PV of MLP
Not later than one year	20.04	19.39	36.52	33.26
Later than one year but not later than five years	-	-	18.63	17.98
Later than five years	-	-	-	-
<b>TOTAL</b>	<b>20.04</b>	<b>19.39</b>	<b>55.15</b>	<b>51.24</b>
Less: Amounts representing finance charges	(0.65)	-	(3.91)	-
Present value of minimum lease payments	<b>19.39</b>	<b>19.39</b>	<b>51.24</b>	<b>51.24</b>

## (b) Operating lease: 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:

Asset:	Buildings (pro-rata, wherever applicable)	
	As at 31st March, 2015 ₹ In Lakhs	As at 31st March, 2014 ₹ In Lakhs
Gross carrying amount	799.78	1,067.62
Less: Accumulated depreciation	385.51	466.39
Net carrying amount	414.27	601.23
Depreciation for the year	38.36	31.25

Future minimum lease receivable under non-cancellable operating leases is as follow:

Period	As at 31st March, 2015 ₹ In Lakhs	As at 31st March, 2014 ₹ In Lakhs
Not later than one year	323.46	464.05
Later than one year but not later than five years	312.90	54.11
Later than five years	-	-
<b>TOTAL</b>	<b>636.36</b>	<b>518.16</b>

## 35. Earnings per equity share

Earnings per equity share is computed as under:

S. No.	Particulars	Remarks	For the year ended 31st March, 2015	For the year ended 31st March, 2014
1.	(Loss) for the year (₹ In Lakhs)	A	(57.85)	(2,971.16)
2.	Weighted average number of equity shares outstanding during the year	B	1,28,98,616	1,28,98,616
3.	Earnings per equity share (Nominal value of share ₹ 10)- (Basic & Diluted) (₹)	C=A/B	(0.45)	(23.03)

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

### 36. Deferred tax

The components of deferred tax liabilities and assets are as under:

Nature of Timing Difference	(Liabilities) / Assets As at 31st March, 2014	(Liabilities) / Assets As at 31st March, 2015
	₹ in Lakhs	₹ in Lakhs
Related to fixed assets	(1,055.88)	(563.33)
	(1,055.88)	(563.33)
Voluntary retirement scheme	68.84	39.10
Provisions for doubtful debts and advances	201.12	212.72
Provisions and liabilities to be allowed on payment basis	210.71	236.84
Unabsorbed depreciation	524.10	798.44
Carried forward losses	2,271.88	2,264.50
	3,276.65	3,551.60
Net deferred tax (restricted to the extent of deferred tax liability)	-	-

Deferred tax asset has been recognised in respect of unabsorbed depreciation and other items to the extent that future taxable income will be available from future reversal of deferred tax liability recognised at the balance sheet date and is restricted to the extent of such liabilities. As a prudent measure, the excess deferred tax asset (net) has not been recognised in the accounts as there is no virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

### 37. Disclosure relating to jointly controlled entities

The Company's share of the assets, liabilities, contingent liabilities, capital and other commitments, income and expenses of the jointly controlled entities are as given below:

Name of company	Country of incorporation	Percentage of shareholding	As at 31st March, 2015				For the year ended 31st March, 2015	
			Assets	Liabilities	Contingent liabilities	Capital and other commitments	Income	Expenditure
			₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Edumetry Inc.	United States of America	50	-	398.11	-	-	-	5.57
		50	5.01	380.03	-	-	381.76	2.44
SCI Forbes Limited (Now known as Shapoorji Pallonji Forbes Shipping Limited)	India	-	-	-	-	-	-	-
		25	10,106.70	5,395.85	48.85	-	1,942.42	2,087.81

Figures in italics relate to the previous year.

### 38. Derivative instruments and unhedged foreign currency exposures

The Company enters into Foreign Exchange Contracts being derivative instruments, which are not intended for trading or speculative purposes, but for hedge purposes, to establish the amount of reporting currency required or available at the settlement date.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015**

(A) The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

(A) The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:					31st March, 2015		31st March, 2014	
					Particulars	₹ in Lakhs	₹ in Lakhs	
					</			

**Footnote:**

FC	Foreign Currency
US \$	United States Dollar
GBP	Great British Pound
CHF	Swiss Franc
EUR	Euro

**39. Details of dues to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006**

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:-

<b>Particulars</b>	<b>31st March,</b>	<b>31st March,</b>
	<b>2015</b>	<b>2014</b>
	<b>₹ in Lakhs</b>	<b>₹ in Lakhs</b>
Balance as at the beginning of the year	324.50	264.00
Add:Provisions made during the year	-	60.50
Less: Utilisation / Reversal	50.50	-
	<b>274.00</b>	<b>324.50</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

### 41. A. Details of raw materials and components consumed:

Particulars	Year ended 31st March, 2015	Year ended 31st March, 2014
	₹ in Lakhs	₹ in Lakhs
Steel bars	1,182.71	1,085.21
Wire rods	899.84	924.30
Carbide blanks	1,232.50	1,201.28
HSS blanks	325.78	275.12
Various components for Steam Turbine	1,105.88	887.96
Others	1,307.63	860.62
<b>TOTAL</b>	<b>6,054.34</b>	<b>5,234.49</b>

### B. Details of purchases of stock-in-trade:

Steam turbine	86.78	305.61
Components and accessories	3.33	15.02
Automated impact markers	8.64	8.99
Other traded tools instruments	23.38	35.59
<b>TOTAL</b>	<b>122.13</b>	<b>365.21</b>

### 42. Information for each class of goods manufactured and traded during the year

Product	(₹ in Lakhs)		
	Opening stock 1st April, 2014	Closing stock 31st March, 2015	Sales 31st March, 2015
<b>A. Manufactured goods</b>			
1. Threading tools	292.27 (269.05)	290.31 (292.27)	7,314.49 (6,947.08)
2. Carbide tools	166.27 (117.94)	95.67 (166.27)	3,277.88 (3,002.10)
3. Spring washers	45.43 (50.80)	31.49 (45.43)	1,778.12 (1,785.57)
4. Steam turbine	-	2.34	2,065.32 (880.43)
5. Printing and embossing machines:			
a) Conventional marking system	4.69 (1.50)	2.00 (4.69)	39.67 (43.54)
b) Automated marking system	101.10 (72.55)	62.17 (101.10)	1,011.22 (743.91)
6. Precision interchangeable steel types sets along with rotary wheels, holding devices and fixtures for composite metal indentation	33.48 (46.32)	24.06 (33.48)	535.42 (490.21)
7. Cutting tools	17.40 (35.80)	39.17 (17.40)	263.68 (220.12)
8. High Tensil Fastners	28.99 (5.55)	5.74 (28.99)	43.33 (68.35)
9. Components and accessories	38.56 (86.52)	20.31 (38.56)	279.22 (283.46)
	<b>728.19</b> (686.03)	<b>573.26</b> (728.19)	<b>16,608.35</b> (14,464.77)

Product	(₹ in Lakhs)		
	Opening stock 1st April, 2014	Closing stock 31st March, 2015	Sales 31st March, 2015
<b>B. Traded goods</b>			
1. Cutting tools	0.08 (0.10)	- (0.08)	- (11.98)
2. Steam turbine	-	-	161.11 (99.50)
3. Components and accessories	0.93 (3.57)	- (0.93)	5.63 (42.27)
4. Automated impact markers	2.49 (39.42)	- (2.49)	16.59 (19.83)
5. Other traded tools instruments	0.51 (7.56)	2.19 (0.51)	18.80 (46.54)
	<b>4.01</b> (50.65)	<b>2.19</b> (4.01)	<b>202.13</b> (220.12)
<b>TOTAL (A + B)</b>	<b>732.20</b> (736.68)	<b>575.45</b> (732.20)	<b>16,810.48</b> (14,684.89)

#### Footnote:

Figures in brackets and italics are in respect of the previous year.

### 43. Information for each class of work-in-progress

Product	(₹ in Lakhs)	
	Opening stock 1st April, 2014	Closing stock 31st March, 2015
1. Threading Tools	280.90 (273.88)	341.14 (280.90)
2. Carbide Tools	65.51 (81.56)	58.08 (65.51)
3. Spring Washer	19.94 (53.09)	31.29 (19.94)
4. Precision interchangeable steel types sets alongwith rotary wheels, holding devices and fixtures for composite metal indentation.	6.73 (19.85)	0.01 (6.73)
5. Automated impact markers	0.21	-
6. High Tensil Fastners	0.01	-
	-	(0.01)
<b>TOTA</b>	<b>373.30</b> (428.38)	<b>430.52</b> (373.30)

#### Footnote:

Figures in brackets and italics are in respect of the previous year.

### 44. Value of imports calculated on C.I.F. basis (excluding value of items locally purchased):

	For the year ended 31st March, 2015	For the year ended 31st March, 2014
	₹ in Lakhs	₹ in Lakhs
(a) Raw materials	1,455.19	2,058.09
(b) Components	1,207.43	316.78
(c) Stores, spares and tools	58.95	134.90
(d) Capital goods	-	-
(e) Purchases for resale	128.72	59.41
	<b>2,850.29</b>	<b>2,569.18</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	For the year ended 31st March, 2015 ₹ in Lakhs	For the year ended 31st March, 2014 ₹ in Lakhs
<b>45. Expenditure in foreign currencies:</b>		
(a) Commission to overseas agents	30.59	30.98
(b) Foreign travel	36.96	18.45
(c) Others	43.99	87.55
	<b>111.54</b>	<b>136.98</b>
<b>46. Earnings in foreign exchange:</b>		
(a) Export of goods calculated on F.O.B. basis	1,846.86	1,939.01
(b) Commission and other services	88.49	23.37
(c) Freight and insurance recoveries	24.92	29.92
	<b>1,960.27</b>	<b>1,992.30</b>

**47. Imported and indigenous raw materials & components and stores, spares & tools consumed:**

	For the year ended 31st March, 2015		For the year ended 31st March, 2014	
	% to Total Consumption	Value ₹ in Lakhs	% to Total Consumption	Value ₹ in Lakhs
<b>(a) Raw materials and components</b>				
Direct Imports at landed cost	47	2,869.62	33	1,749.63
Indigenous - Including value of imported items locally purchased	53	3,184.72	67	3,484.86
<b>TOTAL</b>	<b>100</b>	<b>6,054.34</b>	<b>100</b>	<b>5,234.49</b>
<b>(b) Stores, spares and tools</b>				
Direct Imports at landed cost	11	91.40	16	127.01
Indigenous - Including value of imported items locally purchased	89	767.16	84	691.54
<b>TOTAL</b>	<b>100</b>	<b>858.56</b>	<b>100</b>	<b>818.55</b>

**48. Additional disclosure as required by the amended clause 32 of the listing agreement with relevant Stock Exchanges:**

₹ in Lakhs

S. No.	Name	Balance as at 31st March, 2015	Maximum amount outstanding during the year	No. of shares of the Company held by the loanees as at 31st March, 2015
	Loans and advances in the nature of loans to Subsidiaries, Associates and companies in which Directors are interested:			
1.	Svadeshi Mills Company Limited - Associate Company (carrying no interest)	* 4,391.78	4,391.78	-
		* 4,391.78	4,391.78	-
2.	Coromondal Garments Limited - Associate Company (carrying no interest)	* 364.99	364.99	-
		* 364.99	364.99	-
3.	Forbes Edumetry Limited - Subsidiary (carrying no interest)	* -	0.52	-
		* 0.52	357.34	-
4.	Edumetry INC - Joint Venture (carrying no interest)	* 72.03	72.03	-
		* 72.03	72.03	-

**Note:** \* Provided as doubtful  
The above excludes loans to employees.  
Figures in italics are in respect of the previous years.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

49. Loans and advances to related parties includes interest free loans, relating to which full provision exists in books of accounts, aggregating ₹ 4,756.77 Lakhs (Secured ₹ 4,716.78 Lakhs) as at 31st March, 2015 [Previous year: ₹ 4,756.77 Lakhs (Secured ₹ 4,716.78 Lakhs)] granted to The Svadeshi Mills Company Limited and its subsidiary Coromandal Garments 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.

50. 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
<b>A Investments made (refer Note 13)</b>					
<b>B Loans given</b>					
1 Svadeshi Mills Company Limited	-	4,391.78 *	N.A.	N.A.	General corporate purpose
2 Coromandal Garments Limited	-	364.99 *	N.A.	N.A.	General corporate purpose
3 Edumetry Inc. USA	-	72.03 *	N.A.	N.A.	General corporate purpose
4 Volkart Fleming Shipping & Services Limited	-	65.00	On Demand	12.00	General corporate purpose
<b>C Guarantees given</b>					
1 Forbes Bumi Armada Offshore Limited	-	2,801.55	N.A.	N.A.	N.A.
	-	4,420.00	Continuing	N.A.	Working Capital
2 Forbes Technosys Limited	-	7,500.00	3 years	N.A.	General corporate purpose
	5,000.00	5,000.00	3 years	N.A.	General corporate purpose

**Note:**

\* Provided as doubtful

The corresponding figures of the previous year have not been given as section 186 of the Companies Act, 2013 is applicable with effect from 1st April, 2014.

51. Previous year figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

SHAPOOR P. MISTRY

ASHOK BARAT

Chairman

Managing Director

S.L. GOKLANEY

T.R. DOONGAJI

KAIWAN D. KALYANIWALLA

D. SIVANANDHAN

JIMMY J. PARAKH

JAI L. MAVANI

AMEETA CHATTERJEE

K. DASARATHARAMAN

Mumbai, 26th May, 2015

SUNETRA GANESAN

Chief Financial Officer

PANKAJ KHATTAR

Company Secretary

Directors



**CONSOLIDATED FINANCIAL STATEMENTS**

**FORMING PART OF ANNUAL REPORT OF**

**FORBES & COMPANY LIMITED FOR THE**

**YEAR ENDED 31ST MARCH, 2015**

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FORBES & COMPANY LIMITED**

### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of Forbes & Company Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associates and jointly controlled entities, comprising the Consolidated Balance Sheet as at March 31, 2015, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

### **Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated 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 and consolidated cash flows of the Group including its associates and jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the 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 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 financial

statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated 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 sub-paragraph (i) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

### **Basis for Qualified Opinion**

Attention is invited to Note 2(B)(xii) to the consolidated financial statements, for non-inclusion of effect, if any, of equity accounting for the Group's investment of ₹ 177.75 lakhs in an associate, namely, The Svadeshi Mills Company Limited, in respect of which full provision has been made, in the absence of the financial statements being made available. This matter was also qualified in our report on the consolidated financial statements for the year ended March 31, 2014.

### **Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated 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 jointly controlled entities as at March 31, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

### **Emphasis of Matter**

- (a) Attention is invited to Note 31(c) and 42 (a) respectively to the consolidated 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 auditors have drawn emphasis of matter in their report:
- regarding the uncertainty related to the outcome of the lawsuit filed against the subsidiary namely, Eureka Forbes Limited by IBM India Private Limited.
  - regarding an overseas subsidiary, namely, Forbes Lux FZCO, stating that although the balances under the head non-current assets and trade receivables amounting to ₹ 16,538.80 lakhs (As at March 31, 2014 - ₹ 16,412.12 lakhs) are unsecured and long overdue, they are considered good and recoverable and no provision is considered necessary by the management. In

the event of non-recovery of these balances, the unrecovered amount will be made good by the immediate parent namely, Eureka Forbes Limited.

- (b) Attention is invited to Note 31(g) to the consolidated financial statements, in respect of a subsidiary group, namely, Forbes Container Line Pte Limited Group, where the consolidated financial statements have been audited by other auditors, the auditors have drawn an emphasis of matter in their report regarding the uncertainty related to the outcome of the foreign tax assessment on the Group and Company's income receipts from India for the financial years ended March 31, 2009 to 2012.

Our opinion is not modified in respect of these matters.

#### Other Matters

- (i) We did not audit the financial statements of 37 subsidiaries, and 8 jointly controlled entities, whose financial statements reflect total assets of ₹ 181,360.21 lakhs as at March 31, 2015 total revenues of ₹ 295,352.89 lakhs and net cash outflows amounting to ₹ 883.03 lakhs for the year ended on that date, as considered in the consolidated financial statements.

The consolidated financial statements also include the Group's share of net loss of ₹ Nil lakhs for the year ended March 31, 2015, as considered in the consolidated financial statements, in respect of 2 associates, whose financial statements have not been audited by us.

These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors.

- (ii) We did not audit the financial statements of a subsidiary, whose financial statements reflect total assets of ₹ 54,990.90 lakhs as at March 31, 2015, total revenues of ₹ 1,688.25 lakhs and net cash outflows amounting to ₹ 2,115.27 lakhs for the year ended on that date, as considered in the consolidated financial statements.

The other auditors have performed a limited statutory examination of the financial statements whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditors.

- (iii) We did not audit the financial statements of 2 jointly controlled entities, whose financial statements reflect total assets of ₹ Nil lakhs as at March 31, 2015, total revenues of ₹ 2,863.34 lakhs and net cash outflows amounting to ₹ 69.52 lakhs for the year ended on that date, as considered in the consolidated financial statements.

These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated

financial statements, in so far as it relates to the amounts and disclosures included in respect of these jointly controlled entities and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid jointly controlled entities and associates, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

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

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company, subsidiary companies, associate companies and jointly controlled companies incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. We draw attention to Note 2(B)(xii) to the consolidated financial statements relating to loans given to The Svadeshi Mills Company Limited and its subsidiary, Coromandel Garments Limited, aggregating ₹ 4,756.77 lakhs in respect of which full provision has been made, arising inter alia from our enquiry under Section 143(1)(a) of the Act.
3. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, except for the 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 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, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2015 taken on record by the Board of Directors of the Holding Company

and the reports of the other statutory auditors of its subsidiary companies, associate companies and jointly controlled companies incorporated in India, none of the directors of the Group companies, its associate companies and jointly controlled companies incorporated in India is disqualified as on March 31, 2015 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 other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entities – Refer Note 31 to the consolidated financial statements.
  - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if

any, on long-term contracts including derivative contracts – Refer Note 33 to the consolidated financial statements in respect of such items as it relates to the Group and the Group's share of net loss in respect of its associates.

- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, associate companies and jointly controlled companies incorporated in India.

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

**Nilesh Shah**  
Partner  
Membership Number: 49660

**MUMBAI**, May 26, 2015

## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Forbes & Company Limited on the consolidated financial statements for the year ended March 31, 2015)

Our reporting on the Order includes 15 subsidiary companies, 6 jointly controlled companies and 1 associate companies incorporated in India, to which the Order is applicable, which have been audited by other auditors and our report in respect of these entities is based solely on the reports of the other auditors, to the extent considered applicable for reporting under the Order in the case of the consolidated financial statements.

In respect of 1 associate company incorporated in India, which has not been included in the consolidated financial statements, the possible effects of the same on our reporting under the Order in the case of these consolidated financial statements has not been considered.

(i) In respect of the fixed assets of the Holding Company, subsidiary companies, associate companies and jointly controlled companies incorporated in India:

- (a) The respective entities have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets have not been physically verified by the Management of the Holding Company during the year but the Holding 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.

In respect of subsidiaries, associates and jointly controlled entities, some of the fixed assets were physically verified during the year by the Management of the respective entities in accordance with a programme of verification, which in our opinion and the opinion of the other auditors provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us and the other auditors, no material discrepancies were noticed on such verification.

In case of 2 subsidiaries, fixed assets have not been physically verified by the management during the year, hence, the other auditors were unable to comment on the discrepancies, if any.

(ii) In respect of the inventories of the Holding Company, subsidiary companies, associate companies and jointly controlled companies incorporated in India:

- (a) As explained to us and the other auditors, the inventories were physically verified during the year by the Management of the respective entities at reasonable intervals.
- (b) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the procedures of physical verification of inventories followed by the Management of the respective entities were reasonable and adequate in relation to the size of the respective entities and the nature of their business.
- (c) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, except in respect of a subsidiary, where the

statutory auditor of the subsidiary has stated in their report that the said subsidiary has generally maintained proper records of inventory, and material discrepancies were noticed on verification between book records and physical stock of inventory at warehouses, and the differences have been adequately dealt with in the books of account, the respective entities have maintained proper records of their inventories and no material discrepancies were noticed on physical verification.

(iii) The Holding Company, subsidiary companies, associate companies and jointly controlled companies incorporated in India have not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013 by the respective entities.

(iv) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, except in respect of a subsidiary company incorporated in India, where the statutory auditor has stated in their report that there is weaknesses in internal controls for the purchase of inventories for which the Management is in the process of taking remedial measures, there is an adequate internal control system in the Holding Company, subsidiary companies, associate companies and jointly controlled companies incorporated in India, commensurate with the size of the respective entities and the nature of their business for the purchase of inventory and fixed assets and for the sale of goods and services and during the course of our and the other auditors audit, no continuing failure to correct major weaknesses in such internal control system has been observed.

(v) According to the information and explanations given to us, the Holding Company, subsidiary companies, associate companies and jointly controlled companies incorporated in India have not accepted any deposit during the year.

In respect of unclaimed deposits, the Holding Company, subsidiary companies, associate companies and jointly controlled companies incorporated in India have complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013.

(vi) According to the information and explanations given to us and the other auditors, in our opinion and the opinion of the other auditors, the Holding Company, subsidiary companies, associate companies and jointly controlled companies incorporated in India have, *prima facie*, made and maintained the prescribed cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under subsection (1) of Section 148 of the Companies Act, 2013. Neither we nor the other auditors have, however, made a detailed examination of the cost records with a view to determine whether they are accurate or complete. In case of certain entities of the Group, associate companies and the jointly controlled companies, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Act, for the products / services of the respective entities.

## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Forbes & Company Limited on the consolidated financial statements for the year ended March 31, 2015)

(vii) According to the information and explanations given to us, in respect of statutory dues of the Holding Company, subsidiary companies, associate companies and jointly controlled companies incorporated in India:

- The respective entities have been generally regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to the respective entities with the appropriate authorities.
- There were no undisputed amounts payable by the respective entities in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2015 for a period of more than six months from the date they became payable, except as disclosed below:

Name of statute	Nature of dues	Amount involved (₹ in lakhs)	Period to which the amount relates	Due date
Mumbai Municipal Tax Corporation Act, 1888	Property	10.45	October 1, 2012 to March 31, 2013	December 31, 2012
		10.45	April 1, 2013 to September 30, 2013	September 13, 2013
		10.45	October 1, 2013 to March 31, 2014	December 31, 2013
Sales Tax Act	Sales Tax	15.70	FY 1993 to 2000	Various
Sales Tax Act	Sales Tax	0.44	Various	Various

- Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess which have not been deposited as on March 31, 2015 on account of disputes by the aforesaid entities are given below:

Name of the Statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount involved (₹ In Lakhs)
Income-Tax Act, 1961	Income-Tax	Bombay High Court	FY 2002-03	18.96
		Income-Tax Appellate Tribunal	FY 2000-01 to 2008-09	510.04
		Commissioner of Income-Tax (Appeals)	FY 1997-98 to 2011-12	3,427.37
		Assessing Officer, Income Tax	FY 2003-04	6.53
Sales Tax Act	Sales Tax	Madras High Court	FY 1989-90, 1998-99, and 1999-00	435.09
		Sales Tax Appellate Tribunal	FY 1990-91 to 2002-03	91.62
		VAT Appellate Tribunal	FY 2001-02 to 2004-05	1,504.40
		Joint Commissioner of Appeal Sales Tax	FY 2005-06 to 2010-11	1,304.03
		Joint Commissioner of Commercial Taxes	FY 2013-14	0.89
		Joint Commissioner (Appeals) Trade Tax	FY 2003-04 to 2005-06	74.93
		Joint Excise & Taxation Commissioner	FY 2010-11	4.71
		Deputy Commissioner of Commercial Taxes	FY 2000-01 to 2010-11	458.02
		Deputy Commissioner of Appeals	FY 1987-88 to 2006-07	65.23
		Assistant Commissioner of Commercial Taxes	FY 2000-01 to 2014-15	209.83
		Assistant Commissioner (Assessment) Special Circle-II	FY 1998-99 to 2007-08	2,050.48
		Assistant Commissioner of Sales Tax (Appeals)	FY 2004-05 to 2011-12	21.11
		Appellate Officer, Commercial Tax	FY 2011-12	14.44
		Superintendent of Tax	FY 2007-08	3.97
		Commercial Tax Officer, Chennai	FY 2004-05	3.95
		Excise & Taxation Officer	FY 2013-14	1.44
		Assessing Authority	FY 1994-95 to 2006-07	4.69
		Commissioner of Sales Tax	FY 2002-03, 2004-05	10.71
		Commissioner of Sales Tax	2004-05	0.34



## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Forbes & Company Limited on the consolidated financial statements for the year ended March 31, 2015)

Name of the Statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount involved (₹ In Lakhs)
The Central Excise Act, 1944	Excise duty	Custom Excise & Service Tax Appellate Tribunal	FY 1995-96 to 2009-10	5,387.40
		Commissioner of Central Excise (Appeals)	FY 2003-04 to 2007-2012	148.10
		Additional Commissioner of Central Excise	FY 1999-00 to 2002-03	54.99
		Assistant Commissioner of Central Excise	FY 1999-00 to 2003-04	4.86
The Finance Act, 1994	Service Tax	Commissioner of Service Tax	FY 2007-08 to 2012-13	1,776.02
		Additional Commissioner Service Tax	FY 2007-12	15.67
Karnataka Tax on Entry of Goods, 1979	Entry Tax	Custom Excise & Service Tax Appellate Tribunal	FY 2001-02 to 2008-09	38.45
The Customs Act, 1962	Customs Duty	Custom Excise & Service Tax Appellate Tribunal	FY 2012-13	0.90
		Commissioner (Appeals)	FY 2012-13	0.93
Mumbai Municipal Corporation Act, 1888*	Property Tax	Assistant Assessor & Collector	FY 2005-06 to 2009-10	671.61

\* Property tax not deposited pending resolution of the representation made by the Holding Company to the Assistant Assessor and Collector, Municipal Corporation of Greater Mumbai against the enhanced rateable value assessed by the said authority.

- (d) The aforesaid entities have been generally regular in transferring amounts to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder within time.
- (viii) The consolidated accumulated losses of the Group, its associates and jointly controlled entities at the end of the financial year are less than fifty per cent of the consolidated net worth and the Group, its associates and jointly controlled entities have not incurred cash losses on a consolidated basis during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the Holding Company, subsidiary companies, associate companies and jointly controlled companies incorporated in India have not defaulted in the repayment of dues to financial institutions, banks and debenture holders.
- (x) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the Holding Company, subsidiary companies, associate companies and jointly controlled companies incorporated in India have not given guarantees for loans taken by others outside of the Group its associates and jointly controlled entities from banks and financial institutions.
- (xi) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the term loans have been applied by the Holding Company, subsidiary companies, associate companies and jointly controlled companies incorporated in India during the year for the purposes for which they were obtained, other than temporary deployment pending application.
- (xii) To the best of our knowledge and according to the information and explanations given to us and the other auditors, no fraud by the Holding Company, its subsidiary companies, associate companies and jointly controlled companies incorporated in India and no material fraud on the Holding Company, its subsidiary companies, associate companies and jointly controlled companies incorporated in India has been noticed or reported during the year.

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

**Nilesh Shah**  
Partner  
Membership Number: 49660

MUMBAI, May 26, 2015

## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2015

Particulars	Note No.	₹ in Lakhs	As at 31st March, 2015 ₹ in Lakhs	As at 31st March, 2014 ₹ in Lakhs
<b>I EQUITY AND LIABILITIES</b>				
<b>1 Shareholders' funds</b>				
(a) Share capital	3	1,273.22		1,273.22
(b) Reserves and surplus	4	43,058.76	44,331.98	39,797.98
				41,071.20
<b>2 Minority interest</b>			6,069.96	1,730.88
<b>3 Preference shares issued by subsidiary companies outside the Group</b>	41		11,207.57	1,895.06
<b>4 Non-current liabilities</b>				
(a) Long-term borrowings	5	77,130.80		50,467.03
(b) Deferred tax liabilities (net)	39 (a)	661.17		316.91
(c) Other long-term liabilities	6	12,967.78		12,745.02
(d) Long-term provisions	7	7,322.33	98,082.08	10,676.27
				74,205.23
<b>5 Current liabilities</b>				
(a) Short-term borrowings	8	16,364.65		15,125.54
(b) Trade payables	9	53,267.73		53,345.39
(c) Other current liabilities	10	47,935.47		57,361.01
(d) Short-term provisions	11	4,501.10		4,372.22
			122,068.95	130,204.16
<b>TOTAL</b>			<b>281,760.54</b>	<b>249,106.53</b>
<b>II ASSETS</b>				
<b>1 Non-current assets</b>				
(a) Fixed assets				
(i) Tangible assets	12A	62,109.69		34,476.48
(ii) Intangible assets	12B	2,254.31		2,527.29
(iii) Capital work-in-progress		88.91		258.56
(iv) Intangible assets under development		5,033.14		2,671.95
		69,486.05		39,934.28
(b) Goodwill on consolidation		49,610.41		50,769.66
(c) Non-current investments	13	304.60		32.77
(d) Deferred tax assets (net)	39(b)	2,062.72		2,477.49
(e) Long-term loans and advances	14	16,708.59		15,621.59
(f) Other non-current assets	15	16,565.36	154,737.73	15,234.16
				124,069.95
<b>2 Current assets</b>				
(a) Current investments	16	2,342.07		968.13
(b) Inventories	17	33,820.19		36,525.05
(c) Trade receivables	18	58,630.95		55,149.66
(d) Cash and cash equivalents	19	18,695.22		21,130.52
(e) Short-term loans and advances	20	8,376.80		10,088.06
(f) Other current assets	21	5,157.58		1,175.16
			127,022.81	125,036.58
<b>TOTAL</b>			<b>281,760.54</b>	<b>249,106.53</b>

See accompanying notes forming part of the consolidated financial statements 1 to 49

In terms of our report attached

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

**NILESH SHAH**

Partner

Mumbai, 26th May, 2015

**SUNETRA GANESAN**

Chief Financial Officer

**PANKAJ KHATTAR**

Company Secretary

**SHAPOOR P. MISTRY**

**ASHOK BARAT**

**S.L. GOKLANEY**

**T.R. DOONGAJI**

**KAIWAN D. KALYANIWALLA**

**D. SIVANANDHAN**

**JIMMY J. PARAKH**

**JAI L. MAVANI**

**AMEETA CHATTERJEE**

**K. DASARATHARAMAN**

Mumbai, 26th May, 2015

Chairman

Managing Director

Directors

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

Particulars	Note No.	₹ in Lakhs	Year ended 31st March, 2015 ₹ in Lakhs	Year ended 31st March, 2014 ₹ in Lakhs
<b>I</b> Revenue from operations (gross)	<b>22</b>	<b>357,564.58</b>		309,287.44
Less: Excise duty		<u>2,959.07</u>		<u>2,564.59</u>
Revenue from operations (net)			<b>354,605.51</b>	306,722.85
<b>II</b> Other income	<b>23</b>		<b>5,917.39</b>	6,448.83
<b>III Total revenue (I + II)</b>			<b>360,522.90</b>	313,171.68
<b>IV Expenses:</b>				
Cost of materials consumed	<b>24</b>	<b>65,463.60</b>		56,250.20
Purchases of stock-in-trade (traded goods)		<b>53,763.40</b>		51,287.98
Changes in inventories of finished goods, work-in-progress and stock-in-trade	<b>25</b>	<b>1,734.93</b>		(6,055.54)
Employee benefits expense	<b>26</b>	<b>61,729.16</b>		48,395.18
Finance costs	<b>27</b>	<b>9,114.61</b>		7,927.61
Depreciation and amortisation expense	<b>28</b>	<b>2,161.98</b>		5,414.53
Other expenses	<b>29</b>	<b>157,467.62</b>		141,539.41
<b>Total expenses</b>			<b>351,435.30</b>	304,759.37
<b>V Profit before exceptional items and tax (III - IV)</b>			<b>9,087.60</b>	8,412.31
<b>VI</b> Exceptional items - (Expense)/ Income	<b>30</b>		<b>(1,009.89)</b>	(1,211.59)
<b>VII Profit before tax (V + VI)</b>			<b>8,077.71</b>	7,200.72
<b>VIII Tax expense / (benefit):</b>				
(a) Current tax expense		<b>3,976.75</b>		2,373.73
(b) Less: MAT credit entitlement		<b>(154.11)</b>		(29.20)
(c) Excess provision for current tax relating to prior years		<b>409.92</b>		13.22
(d) Net current tax expense		<b>4,232.56</b>		2,357.75
(e) Deferred tax charge / (credit)		<b>140.61</b>		(202.22)
			<b>4,373.17</b>	2,155.53
<b>IX Profit after tax before share of Profit/(losses) of associates and minority interest (VII - VIII)</b>			<b>3,704.54</b>	5,045.19
<b>X</b> Share in profit of associates			-	-
<b>XI</b> Share of (profit) / losses attributable to the minority interest			<b>(457.83)</b>	(1,038.74)
<b>XII Profit for the year attributable to the shareholders of the company (IX + X + XI)</b>			<b>3,246.71</b>	4,006.45
<b>XIII Earning per equity share:</b>	<b>38</b>			
Basic and diluted earnings per equity share (nominal value of share ₹ 10)			<b>₹ 24.65</b>	₹ 30.09

See accompanying notes forming part of the consolidated financial statements 1 to 49

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

**NILESH SHAH**  
Partner  
Mumbai, 26th May, 2015

**SUNETRA GANESAN**  
Chief Financial Officer

**PANKAJ KHATTAR**  
Company Secretary

**SHAPOOR P. MISTRY**  
**ASHOK BARAT**

*Chairman*  
*Managing Director*

S.L. GOKLANEY  
T.R. DOONGAJI  
KAIWAN D. KALYANIWALLA  
D. SIVANANDHAN  
JIMMY J. PARAKH  
JAI L. MAVANI  
AMEETA CHATTERJEE  
K. DASARATHARAMAN  
Mumbai, 26th May, 2015

*Directors*

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

	Year ended 31st March, 2015 (₹ in Lakhs)	Year ended 31st March, 2014 (₹ in Lakhs)
<b>Profit before tax</b>	<b>8,077.71</b>	<b>7,200.72</b>
<b>Adjustments for -</b>		
Depreciation and amortisation expense	2,161.98	5,414.53
Provision for impairment on fixed assets (Ships)	-	60.82
Provision for estimated losses on onerous contracts	-	60.48
Provision for Diminution in Value of Land	10.21	-
Net gain on sale of investments	(239.40)	(526.61)
Interest income		
-Long term investments	(1.98)	(2.12)
-Bank Deposits	(394.68)	(847.68)
-Inter-corporate deposits	(58.07)	(70.58)
Finance costs	9,114.61	7,927.61
Dividend income		
-Long term investments	(0.06)	(0.05)
- Current investments	(156.79)	(79.19)
(Profit) / loss on sale / write off of assets	(115.23)	(74.10)
Provision for doubtful trade receivables / loans and advances	934.96	674.98
Bad trade receivables / advances written off	1,566.04	465.68
Credit balances / excess provision written back	(317.83)	(267.75)
Provision for diminution in the value of investments(net)	(0.03)	(75.39)
Unrealised exchange (gain) / loss (net)	(303.46)	(862.75)
Pension Liabilities written back	(1,417.76)	
<u>Exceptional items</u>		
- Sharing of expenses	-	1,162.01
- Impairment of goodwill on consolidation	1,159.23	-
-Gain on cessation of joint venture interest in a jointly controlled entity	(167.23)	-
-Gain on Cessation of Subsidiary	(62.68)	(81.36)
	<b>11,711.83</b>	<b>12,878.53</b>
<b>Operating profit / (loss) before working capital changes</b>	<b>19,789.54</b>	<b>20,079.25</b>
<b>Changes in working capital:</b>		
<u>Adjustments for (increase) / decrease in operating assets:</u>		
Inventories	3,170.27	(4,978.50)
Trade receivables	(4,976.81)	(21,315.80)
Short-term loans and advances	1,365.54	(3,623.91)
Long-term loans and advances	809.29	865.12
Other current assets	(3,897.21)	(423.75)
Other non current assets	(773.89)	(5,875.90)
	<b>(4,302.81)</b>	<b>(35,352.74)</b>
<u>Adjustments for increase / (decrease) in operating liabilities:</u>		
Trade payables	(352.05)	16,677.76
Other current liabilities	776.27	9,510.74
Other Long term liabilities	222.77	(1,303.51)
Short-term provisions	1,067.89	1,065.96
Long-term provisions	(3,129.31)	3,592.30
	<b>(1,414.43)</b>	<b>29,543.25</b>
	<b>(5,717.24)</b>	<b>(5,809.49)</b>
<b>Cash generated from operations</b>	<b>14,072.30</b>	<b>14,269.76</b>
Income taxes paid (net of refunds)	<b>(4,278.84)</b>	<b>(2,885.48)</b>
<b>(a) Net cash flow from operating activities</b>	<b>9,793.46</b>	<b>11,384.28</b>

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

	Year ended 31st March, 2015 (₹ in Lakhs)	Year ended 31st March, 2014 (₹ in Lakhs)
<b>Cash flows from investing activities:</b>		
Capital expenditure on fixed assets including capital advances	(18,091.63)	(9,324.78)
Proceeds from sale of fixed assets	12,022.95	718.21
Purchase of non - current investments	(287.13)	(50,028.05)
Purchase of current investments	(31,979.39)	(11,901.07)
Proceeds from sale of current Investments	30,844.99	16,581.86
Proceeds from sale of non - current Investments	248.90	6,883.82
Inter-corporate deposits (net)	691.08	(1.76)
Bank balances not considered as cash and cash equivalents matured	12.58	5,555.11
Bank balances not considered as cash and cash equivalents placed	(940.07)	(30.14)
Interest received	767.69	575.87
Dividend received	156.85	79.24
Capital subsidy received	-	15.00
<b>(b) Net cash flow used in investing activities</b>	<b>(6,553.18)</b>	<b>(40,876.69)</b>
<b>Cash flows from financing activities:</b>		
Proceeds from long-term borrowings	16,296.71	63,376.86
Proceeds from short-term borrowings	42,817.48	16,471.79
Repayment of long-term borrowings	(15,371.26)	(17,106.41)
Repayment of short-term borrowings	(41,576.92)	(8,992.99)
Finance costs	(9,607.01)	(11,836.70)
Preference dividend paid including taxes	(75.67)	-
Proceeds from minority shareholders on issue of shares by subsidiary	28.50	501.34
Equity dividend paid including taxes	(533.86)	(287.07)
<b>(c) Net cash flow (used in) / from financing activities</b>	<b>(8,022.03)</b>	<b>42,126.70</b>
<b>(d) Net (decrease) / increase in cash and cash equivalents (a + b + c)</b>	<b>(4,781.75)</b>	<b>12,634.41</b>
<b>(e) Cash and cash equivalents as at the commencement of the year</b>	<b>20,599.30</b>	<b>7,994.35</b>
<b>(f) Effect of exchange differences on restatement of foreign currency cash and cash equivalents</b>	<b>33.35</b>	<b>(29.46)</b>
<b>(g) Cash and bank balance acquired on acquisition / incorporation of subsidiaries</b>	<b>1,385.63</b>	<b>-</b>
<b>(h) Cash and cash equivalents as at the end of the year (d + e + f + g)</b>	<b>17,236.53</b>	<b>20,599.30</b>

**Footnote :**

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard (AS-3) "Cash Flow Statements" notified under the Companies (Accounting Standard) Rules, 2006.
- The cash flows from operating, investing and financing activities of the Group are segregated based on available information.

**See accompanying notes forming part of the financial statements**

In terms of our report attached <b>For DELOITTE HASKINS &amp; SELLS LLP</b> Chartered Accountants	SHAPOOR P. MISTRY ASHOK BARAT	Chairman Managing Director
<b>NILESH SHAH</b> Partner Mumbai, 26th May, 2015	SUNETRA GANESAN Chief Financial Officer	} Directors
	PANKAJ KHATTAR Company Secretary	
	S.L. GOKLANEY T.R. DOONGAJI KAIWAN D. KALYANIWALLA D. SIVANANDHAN JIMMY J. PARAKH JAI L. MAVANI AMEETA CHATTERJEE K. DASARATHARAMAN	
	Mumbai, 26th May, 2015	

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

### 1. CORPORATE INFORMATION

Forbes & Company Limited 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.

### 2. SIGNIFICANT ACCOUNTING POLICIES:

#### A. BASIS OF ACCOUNTING AND USE OF ESTIMATES

##### (i) Basis of accounting and preparation of consolidated financial statements

The Consolidated financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under section 133 of the Companies Act, 2013 (the "2013 Act") read with rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the 2013 Act. The Consolidated financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the Consolidated financial statements are consistent with those followed in the previous year.

##### (ii) Use of estimates

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

#### B. PRINCIPLES OF CONSOLIDATION

- (i) The Consolidated Financial Statements relate to Forbes and Company Limited (the "Company"), its subsidiaries and jointly controlled entities (the Company, its subsidiaries and jointly controlled entities constitute the "Group") which have been prepared in accordance with the Accounting Standards on Consolidated Financial Statements (AS) 21 and Financial Reporting of Interests in Joint Ventures (AS) 27 specified under section 133 of the Companies Act, 2013. Further the Consolidated Financial Statements include investments in associates accounted for using equity method in accordance with the Accounting Standard on Accounting for Investments in Associates in Consolidated Financial Statements (AS) 23 prescribed under section 133 the Companies Act, 2013.
- (ii) The financial statements of the Company and its subsidiaries have been consolidated on line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses. Interests in joint ventures are aggregated in the consolidated financial statements by using the proportionate consolidation

method, which means that the Group's share in book values of like items of assets, liabilities, income and expenses are aggregated after eliminating the intra-group balances, transactions and resulting unrealised profits or losses to the extent of the proportionate share of the Group in the joint venture.

- (iii) The excess of cost of investment in the subsidiary / jointly controlled entity over the Group's portion of equity of the subsidiary / jointly controlled entity, at the date on which investment is made, is recognised in the financial statements as Goodwill on Consolidation.
- (iv) The excess of Group's portion of equity of the subsidiary / jointly controlled entity over the cost of the investments by the Group, at the date on which investments is made, is treated as Capital Reserve on Consolidation.
- (v) The Goodwill / Capital Reserve is determined separately for each subsidiary company / jointly controlled entity and such amounts are not set off between different entities.
- (vi) Minority Interests in the net assets of the subsidiaries consist of:
  - (a) The amount of equity attributable to minorities at the date on which investment is made; and
  - (b) The minorities' share of movements in the equity since the date the parent-subsidiary relationship came into existence. The losses applicable to the minority in a consolidated subsidiary may exceed the minority interest in the equity of subsidiary. The excess, and any further losses applicable to the minority, are adjusted against the majority interest except to the extent that the minority has a binding obligation to, and is able to, make good the losses.
- (vii) The financial statements of the Company, its subsidiaries, jointly controlled entities and associates used in the consolidation are drawn upto the same reporting date i.e. 31st March 2015, 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 Oestreich GmbH, Lux CZ s.r.o., Lux Hungária Kereskedelmi Kft., Forbes Lux FZCO, AMC Cookware PTY Limited, Lux Del Paraguay S.A. and Hogar Paraguay Electrodomésticos S.A., whose reporting dates are 31st December, 2014. Necessary 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.
- (viii) Figures pertaining to the subsidiaries and the interests in jointly controlled entities have been reclassified wherever necessary to bring them in line with the Company's financial statements.
- (ix) Subsidiaries:

Subsidiaries are entities in which the Company owns, either directly or indirectly, more than half of the shares with voting rights or where the Company has a controlling influence on the basis of agreements.

Subsidiaries are included in the consolidated financial statements from the point in time at which the control is transferred to the Group and are no longer included in the consolidated financial statements from the point in time at which the control ceases.



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

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 (%)	
				For the year ended 31st March, 2015	For the year ended 31st March, 2014
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
	I Aquadiagnostics Water Research & Technology Center Limited		India	100.00	100.00
	II Forbes Lux International AG and its subsidiary:		Switzerland	100.00	100.00
	- Lux International AG and its subsidiaries :		Switzerland	100.00	100.00
	i) Lux del Paraguay S.A (Formerly known as Hogar Paraguay Electrodomésticos S.A)	4	Paraguay	50.00	50.00
	ii) Forbes Lux Group AG Baar and its subsidiary :		Switzerland	100.00	100.00
	- Lux /SK/s.r.o.		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 Oestreich GmbH		Austria	100.00	100.00
	- Lux CZ s.r.o		Prague	100.00	100.00
	- Lux Hungária Kereskedelmi Kft.		Hungary	100.00	100.00
	vi) LIAG Trading & Investments Limited (w.e.f. 4th February, 2015)		Dubai	100.00	-
	(b) Euro Forbes International Pte. Limited (upto 23rd March, 2015)		Singapore	-	100.00
	(c) Forbes Facility Services Private Limited		India	100.00	100.00
	(d) E4 Development & Coaching Limited ( upto 01st April, 2014)		India	-	75.00
	(e) Forbes Enviro Solutions Limited		India	100.00	100.00
	(f) Waterwings Equipment Private Limited		India	100.00	100.00
	(g) Radiant Energy Systems Private Limited		India	100.00	100.00
	(h) EFL Mauritius Limited and its subsidiary:		Mauritius	100.00	100.00
	-EuroForbes Mauritius Limited (upto 20th December, 2013)		Mauritius	-	100.00
	(i) Euro Forbes Financial services Limited		India	100.00	100.00
	(j) Euro Forbes Limited and its subsidiary:		UAE	100.00	100.00
	-Forbes Lux FZCO		UAE	99.42	75.00
2	Forbes Campbell Finance Limited and its subsidiaries:		India	100.00	100.00
	(a) Forbes Bumi Armada Limited		India	51.00	51.00
	(b) Forbes Technosys Limited	1	India	100.00	100.00
	(c) Forbes Campbell Services Limited		India	98.00	98.00
	(d) Forbes Edumetry Limited	2	India	57.50	57.50
3	Volkart Fleming Shipping & Services Limited		India	100.00	100.00
4	Forbes Container Line Pte. Limited and its subsidiary (See Note 44):		Singapore	100.00	100.00
	- Forbesline Shipping Services LLC	3	Dubai	49.00	49.00
5	Forbes Bumi Armada Offshore Limited		India	50.001	50.001
6	Shapoorji Pallonji Forbes Shipping Limited (formerly known as SCI Forbes Limited) (w.e.f. 01st December 2014)	3	India	25.00	-
7	Campbell Properties & Hospitality Services Limited (w.e.f. 13th December 2014)		India	100.00	-

### Footnotes:

- 1 The financial statements of the Company and subsidiary at sr. no. 2(b) are audited by Deloitte Haskins & Sells LLP and Deloitte Haskins & Sells respectively. The financial statements of all other subsidiaries are audited by other auditors.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

- 2 Forbes Edumetry Limited, a subsidiary, has incurred substantial losses and its accumulated losses exceeded the paid up capital by more than two times. Further, no fresh business was received during the year under review and as there is no immediate visibility of business in the near time, the Company has initiated voluntary winding up u/s 500 and other applicable sections of the Companies Act, 1956.
- 3 Forbesline Shipping Services LLC, Dubai, and Shapoorji Pallonji Forbes Shipping Ltd.( Formerly known as SCI Forbes 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.
- 2 The effect of acquisition and disposal of Subsidiaries / Jointly Controlled Entity:

Particulars	2014-15		2013-14	
	Acquisition	Disposal	Acquisition	Disposal
	(₹ in Lakhs)		(₹ in Lakhs)	
Liabilities as at (date of acquisition / disposal)				
Non-current liabilities	15,694.69	-	13,752.00	-
Current liabilities	1,223.77	35.61	14,930.43	-
Assets as at (date of acquisition / disposal)				
Non-current assets	27,085.34	41.77	57,477.07	-
Current assets	2,747.60	96.35	23,981.47	-
Revenue for the period ended	4,370.39	1,512.36	32,383.24	-
Expenses for the period ended	4,932.83	1,710.09	31,326.58	-
Profit / (Loss) after tax for the period ended	(562.44)	(197.74)	1,056.66	-

- 1 Shapoorji Pallonji Forbes Shipping Limited (formerly known as SCI Forbes Limited) has been considered as a subsidiary by virtue of the Company's ability to appoint majority of directors on the Board of the Subsidiary w.e.f. 1st December 2014, impact of which is considered in the above table
- 2 The Company through its subsidiary, Forbes Campbell Finance Limited has sold its 50% share in jointly controlled entity, Nypro Forbes Products Limited. (upto 23rd February 2015.), impact of which is considered in the above table.
- 3 The company through its subsidiary, Eureka Forbes Limited has divested its investment in one of its subsidiary, namely E4 Development and Coaching Limited w.e.f. 01st April 2014, impact of which is considered in the above table.
- 4 Euroforbes International Pte Limited is liquidated from 23rd March, 2015, impact of which is considered in the above table.

### (x) Foreign Subsidiaries

The consolidated financial statements includes twenty 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 considering them as non-integral part of the Group's operations and the resultant exchange gain / loss on conversion has been carried forward as 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/ Indian GAAP.

### (xi) Jointly Controlled Entities:

Interests in jointly controlled entities comprise of the share of the Group's interest in a company in which the Group has acquired joint control over its economic activities by contractual agreement.

Interests in jointly controlled entities are included in the consolidated financial statements of the Group from the point in time at which the joint control is transferred to the Group and are no longer included in the consolidated financial statements from the point in time at which the joint control ceases. Interests in joint ventures are aggregated in the consolidated financial statements by using the proportionate consolidation method, which means that the Group's share in book values of like items of assets, liabilities, income and expenses are aggregated after eliminating the intra-group balances, transactions and resulting unrealised profits and losses to the extent of the proportionate share of the Group in the joint venture. If the acquisition values of the shares in the joint ventures exceed the share in the equity, the difference is assigned to Goodwill. If the acquisition cost falls below the share in the acquired joint ventures equity, the difference is treated as a Capital Reserve.

The financial statements of the following companies which are in the nature of jointly controlled entities have been consolidated as aforesaid.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

Sr. No.	Name of the Company	See Footnote No.	Incorporated In	Percentage of Holding & Voting power either directly or indirectly through subsidiary (%)	
				For the year ended 31st March, 2015	For the year ended 31st March, 2014
1	Forbes Aquatech Limited	1	India	50.00	50.00
2	Forbes Concept Hospitality Services Private Limited	1 & 4	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	1	India	50.00	50.00
6	Nypro Forbes Products Limited (upto 23th February ,2015)	2	India	-	50.00
7	Edumetry Inc.		USA	50.00	50.00
8	Shapoorji Pallonji Forbes Shipping Limited (Formerly known as SCI Forbes) (upto 30th November, 2014)		India	-	25.00
9	AMC Cookware PTY Limited (w.e.f. 5th June, 2013)	3	South Africa	50.00	50.00
10	Eurolife Regen Private Limited (w.e.f. 20th December, 2013)	1	India	50.00	50.00

### Footnotes:

- Jointly controlled entities of Eureka Forbes Limited.
- Jointly controlled entities of Forbes Campbell Finance Limited.
- Jointly controlled entities of Lux International AG
- The company has ceased business operations, hence the assets and liabilities have been stated at net realizable value. The accounts are not prepared on going concern basis.

The proportionate share of assets, liabilities, revenue, expenses, contingent liabilities and capital and other commitments of the above jointly controlled entities included in these consolidated financial statements are given below :

	2014-2015 ₹ in lakhs	2013-14 ₹ in lakhs
<b>I ASSETS</b>		
<b>A Non-current assets</b>		
a Fixed assets		
(i) Tangible assets	1,057.15	11,254.58
(ii) Intangible assets	298.29	375.91
(iii) Capital work-in-progress	4.55	12.69
(iv) Intangible assets under development	0.00	3.60
b Deferred tax assets (net)	23.90	29.17
c Long-term loans and advances	414.87	165.46
d Other non-current assets	0.61	902.12
	<u>1,799.37</u>	<u>12,743.53</u>
<b>B Current assets</b>		
a Inventories	2,039.09	2,245.24
b Trade receivables	2,651.47	3,289.45
c Cash and bank balances	274.89	357.87
d Short-term loans and advances	37.67	488.96
e Other current assets	25.29	37.13
	<u>5,028.41</u>	<u>6,418.65</u>
<b>II LIABILITIES</b>		
<b>A Non-current liabilities</b>		
a Long-term borrowings	189.21	265.14
b Deferred tax liabilities (net)	255.77	0.00
c Other long term liabilities	12.44	539.97
d Long-term provisions	3.32	19.95
	<u>460.74</u>	<u>825.06</u>

<b>B Current liabilities</b>		
a Short-term borrowings	62.43	818.98
b Trade payables	548.92	1,160.85
c Other current liabilities	2,106.74	7,555.62
d Short-term provisions	171.53	0.15
	<u>2,889.62</u>	<u>9,535.60</u>
<b>III REVENUE</b>		
a Revenue from operations (net)	7,915.99	7,680.38
b Other income	285.68	341.98
	<u>8,201.67</u>	<u>8,022.36</u>
<b>IV EXPENSES</b>		
a Cost of materials consumed	4,594.16	5,273.66
b Purchases of stock-in-trade	50.71	78.94
c Changes in inventories of finished goods, work-in-progress and stock-in-trade	1,813.21	(72.31)
d Employee benefits expense	2,256.10	2,623.87
e Finance costs	487.99	906.70
f Depreciation and amortisation expense	689.13	962.38
g Other expenses	2,716.12	2,174.34
	<u>12,607.42</u>	<u>11,947.58</u>
h Exceptional Items	-	(1.20)
i Tax expense:		
(i) Current tax expense	261.32	154.10
(ii) Less: MAT credit entitlement	(4.31)	(29.20)
(iii) (Excess) / short provision for current tax relating to prior years	(3.80)	-
(iv) Net current tax expense	253.21	124.90
(v) Deferred Tax	9.96	-
	<u>263.17</u>	<u>124.90</u>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

Name of the Joint Venture Company	2014-15		2013-14	
	Contingent Liabilities	Capital and other Commitments	Contingent Liabilities	Capital and other Commitments
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Forbes Aquatech Ltd.	86.83	11.07	77.84	-
Forbes Concept Hospitality Services Private Limited	-	-	26.96	-
Infinite Water Solutions Private Limited	-	4.21	-	2.43
Aquaigis Technologies Private Limited	-	2.80	-	6.77
Nypro Forbes Products Limited	-	-	62.76	-
Shapoorji Pallonji Forbes Shipping Limited (Formerly known as SCI Forbes Limited)	-	-	48.85	-

### (xii) Associate Companies:

Entities are consolidated as associates when the Group, either directly or indirectly, has a long-term holding usually corresponding to at least 20% but not more than 50% of the voting rights and on the basis of which the Group has a significant influence (but not control or joint control) during the year, unless it can be clearly proven otherwise.

Holdings in associate companies are reported in accordance with the equity method, meaning that shares in a company are reported at acquisition value at the date of acquisition and subsequently adjusted with the Group's share of earnings in associate companies. The Group's share of the associate companies' net profit / loss after tax is included in the Consolidated statement of profit and loss.

The Group's holdings in associate companies are reported in the

Consolidated Balance Sheet at an amount corresponding to the Group's share of the associate companies' net assets including goodwill / capital reserve on consolidation and any impairment.

When the Group's share of any accumulated losses exceed the acquisition value of an investment, the book value is set to zero and the reporting of future losses ceases, unless the Group is committed on the basis of guarantees or other obligations to the company in question.

The portion of unrealised profits and losses corresponding to the Group's participation in the associate company is eliminated in conjunction with transactions between the Group and the associate companies; however unrealised losses are not eliminated if the cost of the transferred asset cannot be recovered. The corresponding adjustment is made to the value of investments in the associate companies.

Name of the Company	See Footnote No.	Percentage of Holding & Voting power either directly or indirectly through subsidiary (%)	
		For the year ended 31st March, 2015	For the year ended 31st March, 2014
The Svadeshi Mills Company Limited	1	23.00	23.00
Euro P2P Direct (Thailand) Co. Limited	2	49.00	49.00
Nuevo Consultancy Services Limited		49.00	49.00

### Footnotes :-

- 1 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.
- 2 The entity is an associate of Eureka Forbes Limited.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

(₹ In Lakhs)

The details of investment in associates are as under: -

Particulars	The Svadeshi Mills Company Limited	Euro P2P Direct (Thailand) Co. Limited	Nuevo Consultancy Services Limited	Total
Number of equity shares	1,769,430	19,596	58,849	
	<i>1,769,430</i>	<i>19,596</i>	<i>58,849</i>	
Cost of investments in equity	177.75	26.67	5.88	210.30
	<i>177.75</i>	<i>26.67</i>	<i>5.88</i>	<i>210.30</i>
Post acquisition share in profits / (Losses) / provision for diminution in value of investments	(177.75)	(26.67)	(5.88)	(210.30)
	<i>(177.75)</i>	<i>(26.67)</i>	<i>(5.88)</i>	<i>(210.30)</i>
Carrying cost of equity	-	-	-	-
	-	-	-	-

Footnote:

Figures in italics are in respect of the previous year

### C. FIXED ASSETS AND DEPRECIATION/AMORTISATION

#### Tangible Fixed assets

Tangible fixed assets acquired by the Group are carried at cost of acquisition or construction, with deductions for accumulated depreciation and 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.

#### Intangible assets

Intangible assets are carried at 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).

Expenditure incurred for acquiring brand from which future economic benefit will flow over a period of time, is amortised over the estimated useful life of 5 years.

Indirect development costs for products are expensed. Development expenditure on an individual project is recognized as an intangible asset when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sales, its intention to complete and its ability to use or sell the asset, how the asset will generate economic benefits, the availability of resources to complete the asset and the ability to measure reliably the expenditure during development.

Research costs are charged to the consolidated 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.

#### Capital work-in-progress

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

#### 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.

#### Opening Adjustments

The column "Opening Adjustments" in Note no. 12 represents additions / deletions pertaining to the opening block of Fixed Assets of the subsidiaries and jointly controlled entities acquired / sold in the previous year, adjustment on account of Foreign Exchange translation and revaluation of opening block of fixed assets.

#### DEPRECIATION AND AMORTISATION :

Depreciation on tangible fixed assets has been provided on straight line method as per the useful life prescribed in Schedule II to the Companies Act 2013, except in respect of certain assets, in whose case 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.

#### I THE COMPANY : (33.07 % of Total Depreciation, Previous Year 24.52%)

Depreciation is calculated on straight line method. The estimated useful life of the assets are as under :

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

Class of Assets	Estimated Useful Life
(i) Leasehold Land	Lease Term
(ii) Building	As per Schedule II of the Companies Act, 2013 except in certain buildings, useful life is based on technical certification
(iii) Plant & Machinery	Useful life is based on technical certification
(iv) Furniture & Fixture	As per Schedule II
(v) Vehicles	4 years
(vi) Office equipments, Electrical installations, Computers:-	
- Owned	As per Schedule II
- Leased	Lower of lease term and useful life as per Schedule II
(vii) Buildings on leasehold land	Lower of the useful life as per Schedule II and the lease term except in certain building useful life is based on technical certification
(viii) All Categories of assets costing ₹ 5,000 and less	Fully depreciated in the year of purchase

### II SUBSIDIARIES / JOINTLY CONTROLLED ENTITIES:

- (I) Depreciation has been provided on straight line method (previous year written down value) and at the rates and in the manner specified in Schedule II to the Companies Act, 2013 by Eureka Forbes Limited and Indian entities in the group (other than Plant & Machinery for cleaning , Plant & Machinery on rent , Motor cycles & Motor cars for certain companies) (- 100.43 % of total depreciation, *Previous Year 51.90%*)

Depreciation has been provided on straight line method as per useful life and in the manner specified in Schedule II of the Companies Act, 2013 by Forbes Technosys Limited (other than Furniture & Fixtures, Office Equipments , data processing equipment on lease and vehicles), Forbes Bumi Armada Offshore Limited, Forbes Bumi Armada Limited , Forbes Campbell Finance Limited, Nypro Forbes Products Limited , Shapoorji Pallonji Forbes Shipping Limited (formerly known as SCI Forbes Limited ) , Volkart Fleming Shipping and Services Limited (other than Buildings) and Forbes Edumentry Limited. (59.29 % of total depreciation, *Previous Year 14.12%*)

- (ii) Depreciation has been provided based on estimated useful life of fixed assets on straight line method by Forbes Container Line Pte. Limited, Forbes Technosys Limited (computer, data processing equipments and vehicles), Volkart Fleming Shipping & Services Limited (Buildings), Eureka Forbes Limited Group's foreign entities and Indian entities (Plant & Machinery for cleaning, Plant & Machinery on rent, Motor cycles and Motor cars for certain companies.) (63.70% of total depreciation, *Previous Year 6.90%*)

In case of the following companies , all fixed assets other than those specified in the below table are depreciated based on useful life prescribed in Schedule II to the Companies Act, 2013:

Company	Type of Assets	Period
Forbes Container Line Pte. Limited	Software system and Computers	3 years
	Office equipment, furniture and fittings	5 years
	Containers	5 years
Forbes Technosys Limited	Furniture and Fixtures	3 - 10 years
	Office Equipment	3 - 5 years
	Data Processing equipment on lease	3 - 6 years
	Vehicles	4 years
Volkart Fleming Shipping & Services Limited	Buildings	20 years
Eureka Forbes Limited Group		
In the case of Indian Entities :-	Plant & Machinery for cleaning services	5 years
	Plant & Machinery on rent	2-3 years
	Motor Cycles	3 years
	Motor Cars (For Certain Companies)	5 years
In the case of Foreign Entities :-	Computer equipment	3 years
	Office machines	3 years
	Tooling and demo kits	5 years
	Vehicles	5 years
	Machines	10 years
	Land and improvement	15 years
	Buildings	20-40 years
	Leasehold improvements	period of lease
	Furniture and office equipment	2-5 years

- (iii) Leasehold improvement is amortised on straight line basis over the period of the lease (0.46%, *Previous Year 0.05 %*)

- (iv) Intellectual property / distribution rights and software by Forbes Technosys Limited are amortised over the period of 5 years, Development Expenditure, Software and Brand by Eureka Forbes Limited are amortised over a period of 3 and 5 years respectively, software by Nypro Forbes Products Limited, Forbes Container Line Pte Limited and Forbes Bumi Armada Offshore Limited , Shapoorji Pallonji Forbes Shipping Limited (formerly known as SCI Forbes Limited ) , Forbes Bumi Armada Limited are amortised over the period of 3 years (43.81% of total depreciation, *Previous Year 2.51%*).

### D. IMPAIRMENT OF ASSETS:

The Group assesses at each balance sheet date 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. 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



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

consolidated 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.

### E. INVESTMENTS:

Long term investments are valued at cost, less provision for diminution other than temporary, in value, if any. Current investments are valued at the lower of cost and fair value. Cost of investments includes acquisition charges such as brokerage, fees and duties. Profit or loss on sale of investment is recognised using Weighted Average Method.

### F. BORROWING COSTS:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised for the period until the asset is ready for its intended use. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. Other borrowing costs are recognised as an expense in the period in which they are incurred. Borrowing Cost includes exchange difference arising from foreign currency borrowings to the extent they are regarded to the adjustment to interest costs.

### G. FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION:

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the date of the transaction except by Eureka Forbes Limited where such transactions are recorded at average rate of the quarter end. Monetary items denominated in foreign currency at the year-end are translated at year end rates. The exchange differences arising on settlement / translation are recognised in the consolidated statement of profit and loss. Non-monetary items denominated in foreign currency are carried at historical cost.

Cash and bank balances, receivables and liabilities (monetary items) in foreign currencies as at the year end are valued at closing date rates, and unrealised translation differences are included in the consolidated statement of profit and loss.

Investments in foreign currency (non monetary items) are reported using the exchange rate at the date of the transaction.

The foreign subsidiaries are accounted as non-integral part of the Group and the resultant exchange difference on translation is accounted as Foreign Currency Translation Reserve.

In case of Liabilities in respect of foreign currency loans obtained for acquisition of Fixed Assets, the variation in the liability arising out of the exchange rates on repayment or restatement at the year end is recognised in the Consolidated Profit and Loss Account in lines with Accounting Standard.

Accounting for Forward Contracts: Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the Balance Sheet date. Exchange differences on such contracts are recognised in the consolidated statement of profit and loss. Any profit or loss on cancellation or renewal of such forward contracts is recognised as income or expenses in the period in which such cancellation or renewal is made.

### H. INVENTORIES:

#### I The Company :- (10.96% of Total Inventory, Previous Year 9.71%).

Inventories are valued at the lower of the acquisition / production cost and the corresponding net realisable value after providing for obsolescence and other losses, where considered necessary. The principles of determining costs of various types of inventories are tabulated below:

Sr. No.	Type	Basis of determining costs
1	Stores, spare parts, components and loose tools	Moving weighted average method
2	Raw and packing materials	Standard cost adjusted for variances based on weighted average purchase price.
3	Work in Progress	Aggregate of cost of materials, other direct costs and absorbed production overheads (including depreciation) up to the stage of completion based on standard cost adjusted for variances.
4	Finished Goods	Aggregate of cost of materials, other direct costs and absorbed production overheads (including depreciation) based on standard cost adjusted for variances including excise duty.
5	Stock - in - Trade (In respect of goods acquired for trading)	Standard cost adjusted for variances based on weighted average purchase price.
6	Real estate development work-in-progress	Real estate development work-in-progress cost includes cost incurred, as applicable, up to the completion of the project

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.

#### II. Subsidiaries / Jointly Controlled Entities:

Inventories of Forbes Technosys Limited are valued on the same basis as that of the Company (9.02 % of total inventory, *Previous Year 5.03%*). Inventories of Eureka Forbes Limited [its subsidiaries and jointly controlled entities (except subsidiary and jointly controlled entities mentioned below)] are valued at lower of cost or net realisable value. Cost is determined using first-in-first-out method. (67.11 % of total Inventory, *Previous Year 71.31%*). Provision is made for obsolete / slow moving inventories.

Inventories of Aquamall Water Solutions Limited, Forbes Aquatech Limited, Infinite Water Solutions Limited, Forbes Bumi Armada Offshore Limited and Npyro Forbes Product Limited, are valued at lower of cost or net realisable value. Cost is determined using Weighted Average Method. (12.91% of total Inventory, *Previous Year 13.95%*).

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

### I. 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 company'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.

### J. REVENUE RECOGNITION:

#### 1. Sale of products

Sale of products is recognised when risk and rewards of ownership of the products are passed on to the customers, which is generally on despatch of goods. Export sales are recognised on the basis of Bill of lading / Airway bill. Sales are stated net of returns, trade discounts and VAT / Sales Tax.

#### 2. Income from Recharge Sales

Revenue on sale of recharge recognised when the pins are downloaded by the customer.

#### 3. Sale of services

- (i) 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.
- (ii) Charter hire income and container freight station ground rent income is recognised on an accrual basis as per terms of contract.
- (iii) Income from other services is recognised as and when the services are performed and recorded net of sales tax/VAT and Service tax.

#### 4. Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

#### 5. Dividend

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

### K. EMPLOYEE BENEFITS:

#### 1. Provident fund

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 (currently 12% of employees' eligible salary). The contributions are made to the government family pension fund / provident fund and the

recognised provident fund managed by the trust set up by the Group which are charged to the statement of profit and loss as incurred.

In respect of contribution to the trust set up by the Group, since the Group is obligated to meet interest shortfall, if any, with respect to covered employees, such employee benefit plan is classified as defined benefit plan in accordance with the Guidance on implementing Accounting Standard (AS) 15 (Revised) on Employee Benefits issued by the Accounting Standard Board of the Institute of Chartered Accountants of India. The Group makes provision for such interest short fall if any, based on an independent external actuarial valuation carried out at the end of the year.

#### 2. Superannuation

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 Life Insurance Corporation of India (LIC). Superannuation is classified as defined contribution plan as the Group has no further obligations beyond making the contribution. The Group contribution to defined contribution plan is charged to the consolidated statement of profit and loss as incurred.

#### 3. Gratuity

The Group has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of six months subject to maximum amount prescribed. For certain categories of employees, lumpsum amount equivalent to one month salary for services upto 15 years; for services above 15 years but equals to or less than 25 years, one month salary upto 15 years and 15 days salary for services in excess of 15 years; and for services above 25 years, one month salary upto 15 years, 15 days salary for services in excess of 15 years upto 25 years and one third monthly salary for services in excess of 25 years, payable for each completed year of service or part thereof in excess of 6 months. Vesting occurs upon completion of five years of service. The Group has obtained insurance policies with LIC and makes an annual contribution to LIC for amounts notified by LIC. The Group 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. Actuarial gains and losses are recognised in the consolidated statement of profit and loss.

#### 4. Post-retirement medical benefits and non-compete fees

Under this post-retirement scheme of the Company, eligible whole-time directors and other 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. Actuarial gains and losses are recognised in the consolidated statement of profit and loss.

#### 5. Compensated absences

The Group provides for encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

leave subject to certain limits for future encashment / availment. The Group makes provision for compensated absences based on an actuarial valuation carried out at the end of the year. Actuarial gains and losses are recognised in the consolidated statement of profit and loss.

### 6 Pension Policy

Lux Group companies operate various pension schemes. The schemes are generally funded by payments to insurance companies or trustee-administration funds. Basically there are two different categories of such pension schemes:

- Swiss Pension Plans
- Foreign Pension Plans

**Swiss Pension Plans:**-Swiss pension plans are stated according to SWISS GAAP FER 16. Employees and former employees receive different employee benefits and retirement pensions, which are determined in accordance with the legislative provision in Switzerland. All risks are reinsured and a underfunding is not possible.

**Foreign Pension Plans:**-Pension plans were restated according to Swiss GAAP FER 16 in 2014 for Lux Germany and Lux Norway. 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 if any with Indian GAAP.

### L. TAXES ON INCOME:

Tax expense comprises current tax and deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of Income-Tax Act, 1961. The Company recognizes deferred tax (subject to consideration of prudence) based on the tax effect of timing differences, being differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. Deferred tax assets are not recognised on unabsorbed depreciation and carry forward of losses unless there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the entity will pay normal income tax. Accordingly, MAT is recognized as an asset in the Consolidated Balance Sheet when it is probable that future economic benefit associated with it will flow to the entity. MAT Credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

Pursuant to the introduction of Section 115 VA under the Income Tax Act 1961, in case of Shapoorji Pallonji Forbes Shipping Limited (subsidiary) has opted for computation of its income from shipping activities under the Tonnage Tax Scheme. Thus income from business of operating ships is assessed on the basis of deemed Tonnage Income of the Company 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 Company are not material, in view of which provision for deferred taxation is not considered as necessary.

### M. 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.

### N. SEGMENT REPORTING:

The Group identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive management in deciding how to allocate resources and in assessing performance. The accounting policies adopted for segment reporting are in line with the accounting policies of the Group. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities which relate to the Group as a whole and are not allocable to segments on reasonable basis, have been included under 'Unallocated revenue / expenses / assets / liabilities'.

### O. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

Provisions are recognised only when there is a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding employee benefits) are not discounted to its present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. 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. Contingent Assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised.

### P. 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 is included in the value of the holdings in the associate company.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

Goodwill is deemed to have an indefinite useful life and is reported at acquisition value with deduction for accumulated impairments. An impairment test of goodwill is conducted once every year or more often if there is an indication of a decrease in value. The impairment loss on goodwill is reported in the consolidated statement of profit and loss.

### Q. PRODUCT WARRANTY EXPENSES:

Product warranty costs are provided in the year of sale based on past experience. In respect of warranties given by the Group on sale of certain products, the estimated costs of these warranties are accrued at the time of sale on the basis of technical estimate. The estimates for accounting of warranties are reviewed and revisions are made as required.

### R. GOVERNMENT GRANT:

Government grants are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants will be received. Grants received from Government in the nature of promoter's contribution towards fixed capital investment are recognised as capital reserve and treated as part of shareholder's funds.

### S. EXPORT INCENTIVES:

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

### T. CASH FLOW STATEMENT:

Cash flows are reported using the indirect method, whereby consolidated profit / (loss) before extraordinary items and 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 Group are segregated based on the available information.

### U. 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.

### V. OPERATING CYCLE:

Based on the nature of products / activities of the Group and the normal time between acquisition of assets and realisation in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

	Number of shares	As at 31st March, 2015 ₹ in Lakhs	Number of shares	As at 31st March, 2014 ₹ in Lakhs
<b>3. Share capital</b>				
<b>Authorised:</b>				
Equity shares of ₹ 10 each	1,50,00,000	1,500.00	1,50,00,000	1,500.00
	<b>1,50,00,000</b>	<b>1,500.00</b>	<b>1,50,00,000</b>	<b>1,500.00</b>
<b>Issued, subscribed and fully paid:</b>				
Equity shares of ₹ 10 each	1,27,32,218	1,273.22	1,27,32,218	1,273.22
[excludes 166,398 (Previous year 166,398) equity shares held by a subsidiary, which have been eliminated on consolidation]	<b>1,27,32,218</b>	<b>1,273.22</b>	<b>1,27,32,218</b>	<b>1,273.22</b>

#### (a) 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.

#### (b) Equity shares held by holding company

93,59,293 (Previous year: 93,59,293) equity shares are held by the holding company, Shapoorji Pallonji and Company Limited.

#### (c) Equity shares held by each shareholder holding more than 5 percent equity shares in the Company are as follows:

Name of Shareholder	As at 31st March, 2015		As at 31st March, 2014	
	Number of equity shares held	% holding	Number of equity shares held	% holding
Shapoorji Pallonji & Company Limited	93,59,293	73.51	93,59,293	73.51
India Discovery Fund Limited	11,48,255	9.02	11,48,255	9.02

#### d) The Company has not allotted any equity shares for consideration other than cash, bonus shares, nor have any shares been bought back during the period of five years immediately preceding the Balance Sheet date.



# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	As at 31st March, 2015 ₹ in Lakhs	As at 31st March, 2014 ₹ in Lakhs		As at 31st March, 2015 ₹ in Lakhs	As at 31st March, 2014 ₹ in Lakhs
<b>4. Reserves and Surplus</b>			<b>(h) General reserve:</b>		
<b>(a) Capital Reserve (including government grants):</b>			Balance as per last balance sheet	42,785.05	41,771.55
Balance as per last balance sheet	203.25	188.25	Add: Transferred from surplus in Consolidated Statement of Profit and Loss	-	1,013.50
Add: Government grants received during the year	-	15.00	Closing Balance	42,785.05	42,785.05
Closing Balance	203.25	203.25	<b>(i) Foreign Currency Translation Reserve:</b>		
<b>(b) Capital Contribution Reserve:</b>			Balance as per last balance sheet	(6,280.91)	326.55
Balance as per last balance sheet	493.53	-	Add: Effect of foreign exchange rate variations during the year	2,266.92	(6,607.46)
Add: Additions during the year	-	493.53	Closing Balance	(4,013.99)	(6,280.91)
Closing Balance	493.53	493.53	<b>(j) Capital Reserve on Consolidation:</b>		
<b>(c) Securities Premium:</b>			Balance as per last balance sheet	1,253.76	1,253.76
Balance as per last balance sheet	161.76	161.76	Less: Sale of Joint Venture	(47.49)	-
<b>(d) Foreign Currency Monetary Item Translation Difference Account</b>			Closing Balance	1,206.27	1,253.76
Balance as per last balance sheet	1,000.10	-	<b>(k) (Deficit) in Consolidated Statement of Profit and Loss:</b>		
Add: Exchange (Loss) / Gain during the year	(173.15)	1,071.25	Balance as per last balance sheet	(2,432.32)	(5,345.52)
Less: Amortisation / Utilization during the year (Net)	(826.95)	(71.15)	Less : Depreciation on Transition to Schedule II to Companies Act, 2013 on fixed assets with nil remaining useful life (net of deferred tax of ₹ 358.75 Lakhs)	(766.52)	-
Closing Balance	-	1,000.10	Add: Profit for the year	3,246.71	4,006.45
<b>(e) Legal Reserve :</b>				47.87	(1,339.07)
Balance as per last balance sheet	0.88	-	Add: Opening Reserve Adjustment	-	309.21
(Less)/Add: Transferred (to)/from surplus in Consolidated Statement of Profit and Loss	(0.88)	0.88	Less: Dividend on preference shares issued by subsidiary companies outside the group (including tax thereon)	(108.82)	(175.63)
Closing Balance	-	-	Less: Tax on Intra group dividends	(329.92)	(212.45)
<b>(f) Tonnage Tax Reserve:</b>			Add: Transferred from:		
Balance as per last balance sheet	112.88	112.88	(i) Legal Reserve	0.88	(0.88)
<b>(g) Debenture Redemption Reserve:</b>			(iii) General Reserve	-	(1,013.50)
Balance as per last balance sheet	2,500.00	2,500.00		(389.99)	(2,432.32)
			Closing Balance	43,058.76	39,797.98

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	Non - current portion		Current maturities	
	As at 31st March, 2015 ₹ in Lakhs	As at 31st March, 2014 ₹ in Lakhs	As at 31st March, 2015 ₹ in Lakhs	As at 31st March, 2014 ₹ in Lakhs
<b>5. Long-term borrowings</b>				
<b>(a) Redeemable Non-convertible Debentures - Secured</b>				
Secured by mortgage of premises being the Land and Factory situated at Waluj, Aurangabad together with the plant and machinery and other support facilities	4,000.00	10,000.00	6,000.00	-
<b>(b) Term loans - Secured</b>				
<b>From Banks</b>				
(i) Federal Bank Limited - Secured by first exclusive charge by way of Equitable Mortgage of 11 flats along with part basement and part residual and garages in "Volkart House", Mumbai	1,000.00	2,000	1,000.00	1,000.00
(ii) DCB Bank 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.	1,500	-	-	-
(iii) HSBC Bank and Societe Generale Bank -(a) Secured by first mortgage / parri passu charge on the immovable properties situated at Andhra Pradesh , Gujarat , Kerala , Madhya Pradesh , Maharashtra , Orissa , Rajasthan , Tamil Nadu , Uttar Pradesh and West Bengal.(b) Charge over all fixed assets (excluding movable assets for the employee benefits ) of the company . Negative lien on all other assets except suitable carve outs for working capital facilities and pledge over brands owned by Eureka Forbes Limited (the Group)(c) Secured by 75000 nominal shares in Lux International AG - pledged to the HSBC / Societe General Bank consortium to secure the 15.0 million EURO loan granted to the company.	36,160.57	30,617.30	5,128.05	3,970.29
(iv) Axis Bank- Dubai- 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.	20,926.25	-	742.07	-
(v) Export Import Bank of India - Secured by an exclusive charge by way of hypothecation of the specific movable fixed assets of the Company.	172.97	242.16	69.19	69.19
(vi) Consortium of NATIXIS Bank and HSBC Bank - Secured by hypothecation of the four chemical tankers purchased by SCI Forbes Limited. Further, all rights, titles, interest and benefits in and under swap contracts and balances of the Debt Service Reserve Account, Retention Account and Earning Account have also been assigned in favour of the lender. The Company is also required to maintain security requirement of not less than 120% of the loan outstanding at any time following the delivery of the vessel.	-	-	-	5,124.51
(vii) Axis Bank - Secured by 1st charge, present and future, on all stocks, book debts and receivables of the Company.	2,700.00	2,700.00	-	-
(viii) Axis Bank -The Term Loan is secured by first mortgage/Pari Passu charge on the immovable properties, Plant & Machinery and pledge of 75,000 Nominal Shares of Lux International AG and corporate Guarantee.	-	-	-	13,590.37
(ix) DCB Bank 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, Gujrat.	1,500.00	-	-	-
(x) Bank Debts - Secured by the pledge of total assets in Lux Hungary up to a maximum amount of HUF 1500 million. The loan of AMC is secured by the pledge of total assets of ZAR 10 million.	63.10	211.56	-	-
<b>From Others:</b>				
Tata Capital Financial Services Ltd. - Secured by first and exclusive charge by way of hypothecation on the assets acquired through facility.	53.15	257.32	113.03	158.14
Others -Secured against hypothecation of inventory and trade receivables.	3,086.98	3,826.70	-	-
	67,163.02	39,855.04	7,052.34	23,912.50
<b>(c) Redeemable Non - Convertible debentures - Unsecured</b>	5,000.00	-	-	-
<b>(d) Others - Unsecured</b>	-	268.56	-	-
<b>(e) Finance lease obligation - Secured [see Note 37(a)]</b>				
Secured by Computer Hardware financed.	778.57	78.29	250.44	69.56
<b>(f) Deferred payment liabilities</b>				
Secured by machineries purchased therein.	-	-	-	283.13
<b>(g) Loans and advances from joint venturers and minority shareholders (Unsecured)</b>	189.21	265.14	-	-
	77,130.80	50,467.03	13,302.78	24,265.19
<b>Less: Amount disclosed under "Other current liabilities" (see Note 10)</b>	-	-	(13,302.78)	(24,265.19)
	77,130.80	50,467.03	-	-



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

### 5. Long-term borrowings (contd.)

(i) Details of debentures issued by the Group:

Particulars	Terms and conditions*	As at 31 March, 2015				As at 31 March, 2014			
		Secured		Unsecured		Secured		Unsecured	
		Non Current	Current	Non Current	Current	Non Current	Current	Non Current	Current
		₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
11% Redeemable debentures	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.	-	6,000.00	-	-	6,000.00	-	-	-
5% Redeemable debentures	Repayment on 27th April, 2016 alongwith redemption premium of ₹ 757 Lakhs.	4,000.00	-	-	-	4,000.00	-	-	-
10.75% Redeemable debentures	i) The Series I & Series II Debentures are Unsecured, Redeemable and Non Convertible ii) The maturity of Debentures Series I - 20th March, 2017; Series II - 20th October 2017. iii) The debentures are backed by Corporate Guarantee of Forbes & Company Ltd.	-	-	5,000.00	-	-	-	-	-
<b>Total - debentures</b>		<b>4,000.00</b>	<b>6,000.00</b>	<b>5,000.00</b>	<b>-</b>	<b>10,000.00</b>	<b>-</b>	<b>-</b>	<b>-</b>

(ii) Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured other long-term borrowings:

Particulars	Terms of repayment and security*	As at 31 March, 2015				As at 31 March, 2014			
		Secured		Unsecured		Secured		Unsecured	
		Non Current	Current	Non Current	Current	Non Current	Current	Non Current	Current
		₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
<b>Term loans from banks:</b>									
Federal Bank Limited	Repayable in 4 half yearly installments of ₹ 500 Lakhs each. Last installment is due in January, 2017. Rate of interest 10.45% p.a. (Previous year 10.80% p.a.)	1,000.00	1,000.00	-	-	2,000.00	1,000.00	-	-
DCB Bank Term Loan -I	Repayable in 4 equal quarterly instalments of ₹ 375 Lakhs each. Last instalment is due in October, 2017. Rate of interest 11% p.a.	1,500.00		-	-	-		-	-
HSBC Bank and Societe Generale bank	Foreign currency denominated loan is repayable in 12 Equal Semi Annual instalments starting from 12th February 2014 carrying interest rate of Euribor + Margin 2.5% p.a.	36,160.57	5,128.05	-	-	30,617.30	3,970.29	-	-

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

Particulars	Terms of repayment and security*	As at 31 March, 2015				As at 31 March, 2014			
		Secured		Unsecured		Secured		Unsecured	
		Non Current	Current	Non Current	Current	Non Current	Current	Non Current	Current
		₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Axis Bank	The foreign currency term loan from Natixis Bank outstanding as on March 31, 2014 was repaid in its entirety on July 2, 2014 by way of refinance obtained from Axis Bank, DIFC Branch, Dubai. The new term loan has been obtained at Libor plus a Margin of 4.15%. The loan is repayable in 12 consecutive unequal semi-annual installments starting at the end of 6 months from the initial utilisation date i.e. July 2, 2014. The repayment of installment follow an increasing pattern culminating in a bullet repayment installment of USD 187.28 Lakhs on July 2, 2020.  The above term loan is 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.	20,926.25	742.07	-	-	-	-	-	-
Export Import Bank of India	Repayable in 14 (Previous year 18) quarterly instalments of ₹ 17.30 Lakhs each. Last instalment is due in August, 2018. Rate of interest 12% p.a. (Previous year: 12% p.a.)	172.97	69.19	-	-	242.16	69.19	-	-
Consortium of NATIXIS Bank and HSBC Bank	Term loan from bank was availed on August 22, 2008 and carries an interest of Libor plus 0.75% up to July 1, 2011 and thereafter at Libor plus 1.10%. The loan is repayable in 24 half yearly installments commencing from the interest payment date immediately following the delivery date of the vessel.	-	-	-	-	5,124.51	-	-	-
Axis Bank	i) One time bullet repayment after 3 years from the date of disbursement with interest rate depending on base rate, currently 10.75% to 11.50%. ii) Secured by exclusive 1st charge on movable and immovable fixed assets (tangible and intangible), present and future, of the Company. iii) Secured by 1st charge, present and future, on all stocks, book debts and receivables of the Company. iv) The Loan is backed by Corporate Guarantee of Forbes & Company Ltd.	2,700.00	-	-	-	2,700.00	-	-	-
Axis Bank	Rate of interest is 2.6725% per annum and has been fully repaid in the year 2014.	-	-	-	-	13,590.37	-	-	-
DCB Bank Term Loan -II	Repayable in 4 equal quarterly instalments of ₹ 375 Lakhs each. Last instalment is due in October, 2017. Rate of interest 11% p.a.	1,500.00	-	-	-	-	-	-	-
Bank Debts	Interest rates for all bank debts were between 2.50% and 16.00% (Previous year 3.29% and 18.00%)	63.10	-	-	-	211.56	-	-	-
Total - Term loans from banks		64,022.89	6,939.31	-	-	35,771.02	23,754.36	-	-

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015**

Particulars	Terms of repayment and security*	As at 31 March, 2015				As at 31 March, 2014			
		Secured		Unsecured		Secured		Unsecured	
		Non Current	Current	Non Current	Current	Non Current	Current	Non Current	Current
<b><u>Term loans from other parties:</u></b>									
Tata Capital Financial Services Ltd	Repayable in 33 monthly equated installments. Last installment is due in August, 2016. Rate of interest 11.50% p.a.(Previous year 11.50% p.a.)	53.15	113.03	-	-	257.32	158.14	-	-
Others	Interest rates were between 6.789% and 7.95%	3,086.98		-	-	3,826.70		-	-
Total - Term loans from other parties		3,140.13	113.03	-	-	4,084.02	158.14	-	-
<b><u>Deferred payment</u></b>									
Deferred payment for acquisition of fixed assets	Deferred payment for acquisition of fixed assets are repayable in equal monthly instalments.	-	-	-	-		283.13	-	-
Total - Deferred payment liabilities		-	-	-	-	-	283.13	-	-
<b><u>Loans and advances from related parties:</u></b>									
Loans and advances from joint venturers and minority shareholders	Terms of payment are long term.	-	-	189.21	-	-	-	265.14	-
Total - Loans and advances from related parties		-	-	189.21	-	-	-	265.14	-
<b><u>Long-term maturities of finance lease obligations:</u></b>									
Finance lease Obligations	Repayable in 16 quarterly equated installments. Last instalment is due in December, 2015. Rate of Interest in the range of 7.68% to 9.33 % p.a.	778.57	250.44	-	-	78.29	69.56	-	-
Total - Long-term maturities of finance lease obligations		778.57	250.44	-	-	78.29	69.56	-	-
<b><u>Other loans and advances:</u></b>									
Loan		-	-	-	-	-	-	268.56	-
Total - Other loans and advances		-	-	-	-	-	-	268.56	-

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	As at 31st March, 2015 ₹ in Lakhs	As at 31st March, 2014 ₹ in Lakhs		As at 31st March, 2015 ₹ in Lakhs	As at 31st March, 2014 ₹ in Lakhs
<b>6. Other Long - term liabilities</b>			<b>Cash Credit and Packing Credit:</b>		
(a) Trade payables	1,407.50	1,785.89	Secured by hypothecation of all stocks including raw materials, stock-in-process, finished goods, Stores and trade receivables.	0.55	108.45
(b) Others:			Secured by hypothecation of current assets of the Company and backed by Corporate Guarantee of Forbes & Company Ltd.	3,246.70	3,253.63
(i) Advance from customers	8,124.54	7,787.45	Secured by hypothecation of Stock-in-trade, trade debtors and mortgage of properties	9,771.38	8,184.96
(ii) Trade / Security deposits	1,171.38	1,131.81	Total	13,320.57	11,696.80
(iii) Interest free trade deposits	2,264.36	2,039.87			
	<u>12,967.78</u>	<u>12,745.02</u>			
<b>7. Long-term provisions</b>			<b>9. Trade Payables</b>		
(a) Provision for employee benefits			(a) Micro and Small enterprises	2,248.07	2,483.55
(i) Compensated absences	653.13	567.69	(b) Other than acceptances	51,019.66	50,861.84
(ii) Gratuity (see Note 34)	147.61	97.68		<u>53,267.73</u>	<u>53,345.39</u>
(iii) Other post retirement benefits	4,847.90	8,631.81			
	5,648.64	9,297.18	<b>10. Other current liabilities</b>		
(b) Provision for Warranty (see Note 33)	313.58	350.89	(a) Current maturities of long-term debt and deferred payment liabilities [see Note 5]	13,052.34	24,195.63
(c) Provision for disputed statutory demands (see Note 33)	245.22	246.38	(b) Current maturities of finance lease obligation (secured) (see Note 5)	250.44	69.56
(d) Provision for Premium payable on redemption of debentures	498.01	257.25	(c) Interest accrued but not due on borrowings	568.51	451.86
(e) Provision - Others	616.88	524.57	(d) Interest accrued and due on borrowings	-	102.55
	<u>7,322.33</u>	<u>10,676.27</u>	(e) Advance from customers	25,182.47	21,074.39
			(f) Gratuity Payable	181.92	130.56
<b>8. Short-term borrowings</b>			(g) Unclaimed dividends *	2.36	7.01
(a) Secured borrowings from banks:*			(h) Unclaimed matured deposits and interest accrued thereon *	2.33	11.12
(i) Buyers credit	301.94	149.76	((i)) Other payables:		
(ii) Cash credit and packing credit (repayable on demand)	13,018.63	11,547.04	(i) Statutory remittances	3,912.64	4,100.36
	13,320.57	11,696.80	(ii) Payables on purchase of fixed assets	18.10	9.31
(b) Unsecured borrowings :			(iii) Trade / Security deposits	397.92	3,460.10
(i) From Banks	1,144.08	1,353.74	(iv) Payables to Shipping Principals	769.20	830.62
(ii) Loans from related parties - Repayable on demand (see Note 36)	3.76	78.76	(v) Customers' credit balances and advances for supplies and services to be rendered	3,115.04	2,439.25
(iii) Commercial papers [maximum amount outstanding during the year ₹ 7,000 Lakhs (Previous year: ₹ 4,000 Lakhs)]	1,500.00	1,000.00	(vi) Liability towards Employees and other contractual liabilities	458.89	0.39
(iv) Others	396.24	996.24	(vii) Excess Share application money received and due for refund - outside the group	-	54.62
	<u>3,044.08</u>	<u>3,428.74</u>	(viii) Others	23.31	423.68
	<u>16,364.65</u>	<u>15,125.54</u>		<u>47,935.47</u>	<u>57,361.01</u>
<b>* Nature of Security</b>					
<b>Buyers Credit:</b>					
Secured by second charge on 11 residential flats, part basement and part garages in "Volkart House", Mumbai.	301.94	149.76			

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

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015**

		As at 31st March, 2015	As at 31st March, 2014
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
<b>11. Short - term provisions</b>			
<b>(a) Provision for employee benefits</b>			
(i) Compensated absences	156.33		704.10
(ii) Gratuity (see Note 34)	133.80		30.53
(iii) Other post retirement benefits	93.87		93.36
		384.00	828.59
<b>(b) Others</b>			
(i) Tax provisions less payments including Fringe Benefit tax (other than deferred tax)	1,598.18		971.35
(ii) Provision for wealth tax less payments	36.23		43.16
(iii) Provision for dividend on cumulative preference shares issued by subsidiary companies outside the group	357.01		360.33
(iv) Provision for tax on dividend on cumulative preference shares issued by subsidiary companies outside the group and Intra group dividends	83.97		47.46
(v) Provision for Warranty (see Note 33)	1,116.35		991.99
(vi) Provision for tax on proposed equity dividend	-		203.95
(vii) Provision for disputed statutory demands (see Note 33)	220.00		120.00
(viii) Provision for estimated losses on onerous contracts (see Note 33)	274.00		324.50
(ix) Provision for Restructuring and Others	431.36		480.89
		4,117.10	3,543.63
		4,501.10	4,372.22

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

## 12. Fixed assets

₹ in Lakhs

Description of Assets	GROSS BLOCK (at cost)				As at 31st March, 2015	DEPRECIATION / AMORTISATION				Impairment		NET BLOCK		
	As at 31st March, 2014	Opening Adjustments [See Note 2C]	Additions during the year	Deductions during the year		Other Adjustments	Upto 31st March, 2014	Opening Adjustments [See Note 2C]	For the year	On deduction during the year	Other Adjustments [See Note 46]		Upto 31st March, 2015	As at 31st March, 2015
<b>A. Tangible assets</b>														
1 Land:														
Freehold	556.46 (567.20)	- (-7.24)	-	73.17 (3.50)	1,577.66	2,060.95 (556.46)	-	-	-	-	-	-	2,060.95 (556.46)	-
Leasehold	920.47 (913.24)	- (7.23)	-	-	-	920.47 (920.47)	290.89 (256.92)	-	35.76 (33.97)	-	-	326.65 (290.89)	593.82 (629.58)	-
2 Leasehold Improvements	39.35	(19.73)	-	-	-	39.35 (39.35)	12.22	-	9.97 (2.97)	-	-	22.19 (12.22)	17.16 (27.13)	-
3 Buildings [see Footnote 1 (and Note 37(b))]	19,165.73 (17,412.97)	(29.17) (1,052.69)	284.84 (1,527.85)	618.64 (827.78)	(1,577.48)	17,225.28 (19,165.73)	6,450.56 (5,211.91)	(11.53) (1,051.23)	(1,527.45) (596.32)	190.39 (408.90)	31.59	4,752.78 (6,450.56)	12,472.50 (12,715.01)	0.16
4 Plant and equipment:														
Owned (see Footnote 2)	19,467.39 (19,034.75)	92.55 (-252.17)	1,740.62 (1,118.53)	2,792.46 (433.72)	-	18,508.10 (19,467.39)	12,757.58 (11,406.32)	19.15 (47.21)	136.37 (1,612.30)	1,893.97 (308.25)	131.01	11,150.14 (12,757.58)	7,357.96 (6,708.55)	1.26
Given on operating lease (see Note 37(c))	1,052.33 (376.96)	- (673.37)	-	0.04	-	2,344.80 (1,052.33)	385.10 (200.99)	-	626.56 (184.11)	0.04	-	1,011.62 (385.10)	1,333.18 (667.23)	-
5 Furniture and fixtures	5,135.46 (1,428.84)	(14.19) (3,515.13)	365.84 (699.23)	178.07 (507.74)	-	5,309.04 (5,135.46)	4,123.54 (932.55)	(22.03) (3528.06)	296.32 (295.33)	142.37 (632.40)	24.50	4,279.96 (4,123.54)	1,029.08 (1,011.92)	-
6 Vehicles	4,674.89 (4,263.79)	-	1,023.96 (918.31)	470.44 (507.21)	-	5,228.41 (4,674.89)	2,429.16 (2173.90)	-	354.88 (591.05)	346.53 (335.79)	501.54	2,939.05 (2,429.14)	2,289.36 (2,245.73)	-
7 Office equipment														
Owned	5,608.59 (4,501.27)	7.85 (776.30)	422.30 (558.73)	203.16 (227.71)	(0.18)	5,835.40 (5,608.59)	4,368.42 (36,19.76)	6.95 (469.74)	99.15 (471.61)	190.88 (192.69)	436.63	4,720.27 (4,368.42)	1,115.13 (1,239.79)	0.38
Taken on finance lease (see Note 37(a))	122.16 (12.32)	-	-	1.78 (90.16)	-	120.38 (122.16)	76.18 (128.32)	-	44.71 (38.02)	1.52 (90.16)	-	119.37 (76.18)	1.01 (45.98)	-
8 Shipping Vessels	12,441.32 (12,441.32)	51,548.92	-	12,887.24	-	51,103.00 (11,441.32)	2,606.89 (2,024.16)	11,374.47	10,12.32 (582.73)	2,551.56	-	12,442.12 (2,606.89)	33,839.54 (8,629.10)	1,205.33
Previous Year	69,184.15 (61,152.66)	51,605.96 (5,111.67)	5,130.07 (5,517.64)	17,225.00 (2,597.82)	-	108,095.18 (69,184.15)	33,500.54 (25,954.83)	11,367.01 (5,105.49)	1,088.59 (4,408.41)	5,317.26 (1,968.19)	1,125.27	41,764.15 (33,500.54)	62,109.69 (34,476.48)	1,207.13
<b>B. Intangible assets</b>														
1 Intellectual Property / Distribution Rights	449.88 (449.88)	-	-	-	-	449.88 (449.88)	322.52 (322.52)	-	-	-	-	322.52 (322.52)	127.36 (127.36)	-
2 Computer software	2,128.42 (2,089.89)	3.85 (4.72)	257.08 (33.81)	58.01 (128.42)	-	2,331.34 (2,128.42)	1,802.46 (1478.31)	2.61 (5.44)	240.95 (318.71)	48.96 (5.44)	-	1,997.06 (1,802.46)	334.28 (325.96)	-
3 Brand Patent and License Fees	3,847.80 (3,253.52)	8.14 (-1,456.47)	41.39 (2,149.29)	51.15 (98.54)	-	3,846.18 (3,847.80)	2,937.66 (2501.16)	0.68 (-116.83)	189.15 (687.41)	26.96 (84.09)	-	3,100.53 (2,937.66)	745.65 (910.15)	-
4 Development Expenditure (Internally Generated)	6,148.43	99.74 (6,148.43)	506.81	4.07	-	6,750.91 (6,148.43)	4,857.25	80.06 (4,857.25)	643.29	4.07	-	5,576.53 (4,857.25)	1,174.38 (1,291.18)	-
Previous Year	12,574.53 (5,793.70)	111.73 (2,183.11)	805.28 (2,183.11)	113.22 (98.55)	-	13,378.31 (12,574.53)	9,919.89 (4,301.99)	83.35 (4,605.86)	1,073.39 (1,006.12)	79.99 (84.09)	-	10,996.64 (9,019.90)	2,254.31 (2,527.29)	127.36

## Footnotes:

- Buildings (Cost) include: (i) Residential flats and office premises ₹ 69,54 Lakhs (Previous year: ₹ 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 (Previous year: ₹ 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 (Previous year: ₹ 28.66 Lakhs); and (iv) Jointly owned Residential Premises ₹ 28.39 Lakhs (Previous year: ₹ 28.39 Lakhs).
- Plant and equipment (Owned) include jointly owned assets ₹ 19.24 Lakhs (Previous year: ₹ 19.24 Lakhs).
- Figures in italics are in respect of previous year.



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	As at 31st March, 2015	As at 31st March, 2014		As at 31st March, 2015	As at 31st March, 2014
₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
<b>13. Non - current investments</b>			<b>(c) Other Investments (at cost )</b>		
<b>Trade Invesments</b>			Property -Land	21.90	21.90
<b>(a) Investments in Associates</b>			Less: Provision for Diminution of Value of Land	10.21	-
<b>(Unquoted) [see Note 2B (xi)]</b>				11.69	
Cost of investments				304.60	32.77
(Including adjustment on account of foreign currency translation)	210.30	210.30			
Add: Adjustment for post acquisition share of (Net of Losses)	(210.30)	(210.30)			
Net Carrying Value	-	-			
<b>Non Trade Invesments</b>			<b>14. Long-term loans and advances</b>		
<b>(b) Investments in other entities (at cost)</b>			(unsecured, considered good unless otherwise stated)		
<b>(i) Quoted Equity Shares</b>			(a) Capital advances	600.95	238.71
8,913 (Previous year: 8,913)			(b) Security deposits		
equity shares of ₹ 10 each			(i) Unsecured, considered good	2,143.71	1,935.83
fully paid up in Reliance Power Limited [At cost less provision for other than temporary diminution in value ₹ 20.03 Lakhs (Previous year: ₹ 18.77 Lakhs )]	5.04	6.30	(ii) Doubtful	9.80	8.50
2,49,600 (Previous year: Nil)				2,153.51	1,944.33
equity shares of ₹ 10 each fully paid up in SPS Finquest Ltd.	187.20	-	Less: Provision for doubtful deposits	9.80	8.50
<b>(ii) Unquoted</b>				2,143.71	1,935.83
<b>- Equity Shares</b>			<b>(c) Loans and advances to related parties (see Note 36)</b>		
5,500 (Previous year: 5,500)			(i) Unsecured, considered good	-	9.11
equity shares of ₹ 10 each			(ii) Secured, considered doubtful	4,716.78	4,716.78
in New India Co-operative Bank Limited	0.55	0.55	(ii) Unsecured, considered doubtful	76.14	76.14
10 (Previous year: 10) equity shares of ₹ 500 each in Tuticorin Chamber of Commerce [At cost less provision for other than temporary diminution in value ₹ 0.05 Lakhs (Previous year ₹ 0.05 Lakhs)]	-	-		4,792.92	4,802.03
1,000 (Previous year: 1,000)			Less: Provision for doubtful loans and advances	4,792.92	4,792.92
Equity Shares of ₹ 10 each in Simar Port Private Limited	0.10	0.10		-	9.11
7143 (Previous year NIL) equity shares of ₹ 10/- fully paid up in Water Quality Association.	0.71	-	(d) Loans and advances to employees	97.48	145.30
10,00,000 (Previous Year Nil)			(e) Prepaid expenses	125.95	161.81
Serries C Preferred Units of USD 0.15 each in DXV Water Technologies LLC	95.39	-	(f) Advance income tax including fringe benefit tax (net of provisions)	6,871.18	6,347.88
250 (Previous Year: 250)			(g) MAT credit entitlement	149.80	-
equity shares of ₹ 10 each			(h) Advance wealth tax (net of provisions)	59.24	59.24
in Carmel Properties Pvt Ltd	0.03	0.03	(i) Balances with statutory / government authorities		
<b>- Debentures</b>			(i) Unsecured, considered good	1,981.03	1,960.66
3,089 (Previous Year : 3,089)			(ii) Doubtful	46.69	46.69
irredeemable debentures of ₹ 100 each in Carmel Properties Pvt Limited	3.89	3.89		2,027.72	2,007.35
		4.57	Less: Provision for doubtful balances	46.69	46.69
	100.67			1,981.03	1,960.66
			(j) Others	4,679.25	4,763.05
				16,708.59	15,621.59

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	As at 31st March, 2015 ₹ in Lakhs	As at 31st March, 2014 ₹ in Lakhs		As at 31st March, 2015 ₹ in Lakhs	As at 31st March, 2014 ₹ in Lakhs
<b>15. Other Non Current assets</b> (unsecured, considered good unless otherwise stated)			<b>17. Inventories (valued at lower of cost and net realizable value)</b>		
(a) Long - term trade receivables: (including trade receivables on deferred credit terms)			(a) Raw materials and components	6,493.04	6,778.77
(i) Considered good	15,010.37	14,000.99	Goods in transit	-	604.67
(ii) Doubtful	-	7.56		6,493.04	7,383.44
	15,010.37	14,008.55	(b) Work-in-progress	610.21	700.04
Less: Provision for doubtful trade receivables	-	7.56	(c) Finished goods	1,204.71	1,337.90
	15,010.37	14,000.99	(d) Stock-in-trade (in respect of goods acquired for trading)	24,243.42	25,933.99
(b) Balances held as margin money and in long term deposit with bank with maturity period of more than 12 months (see Footnote)	832.56	317.67	Goods in Transit	-	686.85
(c) Unamortised expense (ancillary cost of arranging borrowings)	-	220.07		24,243.42	26,620.84
(d) Interest accrued	369.59	331.17	(e) Stores, spares and loose tools	225.51	305.04
(e) Others	352.84	364.26	(f) Real estate development work-in-progress	1,043.30	177.79
	16,565.36	15,234.16		33,820.19	36,525.05
<b>Footnote:</b>			<b>18. Trade receivables</b>		
(a) Long term deposit with bank represents amount deposited with Axis Bank amounting to ₹ 824.851 lakhs (previous year Natixis Bank ₹ 308.27 lakhs) under the Debt Service Reserve to be maintained as a part of the loan agreement with the Bank. The said deposit is marked under lien with the Bank.			(a) Trade receivables outstanding for a period exceeding six months from the date they are due for payment:		
			(i) Unsecured, considered good	10,708.63	10,067.46
			(ii) Doubtful	2,745.39	616.45
				13,454.02	10,683.91
			Less: Provision for doubtful trade receivables	2,745.39	616.45
				10,708.63	10,067.46
<b>16. Current Investments</b>			(b) Other trade receivables:		
a) Quoted Equity Shares:			(i) Unsecured, considered good	47,922.32	45,082.20
Investments in Equity Instruments[Net of diminution in the value of investments ₹ 3.72 Lakhs (Previous year ₹ 4.89 Lakhs)]	11.71	10.54	(ii) Doubtful	3,468.92	1,701.87
				51,391.24	46,784.07
b) Mutual Funds (Unquoted)			Less: Provision for doubtful trade receivables	3,468.92	1,701.87
[Net of diminution in the value of investments Nil (Previous year ₹ 0.13 Lakh)]	2,330.36	957.59		47,922.32	45,082.20
	2,342.07	968.13		58,630.95	55,149.66
<b>Footnotes:</b>					
1) Aggregate value of unquoted investments	2,330.36	957.59			
2) Aggregate amount of quoted investments	11.71	10.54			
3) Aggregate market value of quoted investments	11.71	10.54			
4) Aggregate provision for diminution (write down) in the value of current investments	3.72	5.02			

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	As at 31st March, 2015	As at 31st March, 2014		As at 31st March, 2015	As at 31st March, 2014
₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
<b>19. Cash and cash equivalents</b>					
<b>(a) Cash and Cash Equivalents (As per AS 3 Cash Flow Statements)</b>					
1. Cash on hand	223.99	390.77	(b) Security deposits	847.93	486.68
2. Cheques, drafts on hand	1,841.61	1,114.43	(c) Loans and advances to employees		
3. Balances with banks:			(i) Unsecured, considered good	71.22	83.07
(A) In current accounts	12,291.02	15,800.02	(ii) Doubtful	0.82	0.82
(B) In EEFC Accounts	2,829.91	3,143.47		72.04	83.89
(C) In deposit accounts (with original maturity upto 3 months)	50.00	150.61	Less: Provision for doubtful loans and advances	0.82	0.82
		19,094.10		71.22	83.07
	17,236.53	20,599.30	(d) Prepaid expenses	1,594.06	1,493.45
<b>(b) Other bank balances</b>			(e) Balances with statutory / government authorities	1,541.30	1,027.67
1. In Earmarked Accounts:			(f) Advances for supply of goods and services		
- Unclaimed dividends	2.36	7.01	(i) Unsecured, considered good	3,850.79	5,901.13
- Interest accrued on unclaimed matured deposits	-	3.58	(ii) Doubtful	15.91	64.64
	2.36	10.59		3,866.70	5,965.77
2. (A) In deposit accounts with original maturity of more than 3 months but less than 12 months	79.06	100.78	Less: Provision for doubtful advances	15.91	64.64
(B) Balances held as margin money with original maturity of more than 3 months but less than 12 months	1,205.47	191.62		3,850.79	5,901.13
		292.40	(g) Other Loans and Advances		
3. (A) In deposit accounts with original maturity of more than 12 months	143.34	164.62	Unsecured, considered good	404.53	356.49
(B) Balances held as margin money with original maturity of more than 12 months	28.46	63.61		8,376.80	10,088.06
		228.23	<b>21. Other current assets</b>		
	171.80	531.22	(unsecured, considered good unless otherwise stated)		
	1,458.69	21,130.52	(a) Unbilled revenue	4,382.32	61.18
	18,695.22		(b) Unamortised expense (ancillary cost of arranging borrowings)	-	32.77
<b>20. Short-term loans and advances</b>			(c) Accruals:		
(unsecured, considered good unless otherwise stated)			(i) Interest accrued on deposits with bank	35.78	260.10
(a) Loans and advances to related parties (see Note 36)			(ii) Interest accrued on investments	0.71	0.43
(i) Unsecured, considered good	66.97	739.57	(iii) Interest accrued on loans to related parties	7.21	134.55
(ii) Doubtful	-	1.11	(d) Others:		
	66.97	740.68	(i) Contractually reimbursable expenses		
Less: Provision for doubtful loans and advances	-	1.11	(I) Unsecured, considered good	510.67	102.23
	66.97	739.57	(II) Doubtful	6.62	3.29
				517.29	105.52
			Less: Provision for doubtful debts	6.62	3.29
				510.67	102.23
			(ii) Export Incentives	117.25	73.73
			(iii) Other receivables	103.64	510.17
				5,157.58	1,175.16

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

		Year ended 31st March, 2015	Year ended 31st March, 2014			Year ended 31st March, 2015	Year ended 31st March, 2014
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs		₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
<b>22. Revenue from operations</b>				(c) Net gain on sale of investments			
(a) Sale of products:				(i) Current	239.40		502.58
(i) Manufacturing Goods	28,751.78		23,444.60	(ii) Long-term	-		24.03
(ii) Traded Goods	192,589.69		162,442.47			239.40	526.61
Total		221,341.47	185,887.07	(d) Net gain on foreign currency transactions and translation (other than considered as finance costs)		2,464.59	1,771.48
(b) Sale of services				(e) Other non-operating income			
(i) Charter hire income	53,335.18		47,771.13	(i) Profit on sale of fixed assets	116.86		116.75
(ii) Ground rent from container freight stations maintained by the Company	982.98		1,301.74	(ii) Credit balances / excess provision written back	317.83		267.75
(iii) Multimodal transport operations and allied services	27,586.51		27,146.23	(iii) Provision for diminution in the value of investments, no longer required written back	0.13		75.39
(iv) Maintenance services	44,127.66		37,086.31	(iv) Rent income	789.86		588.55
(v) Transaction charges	451.08		300.60	(v) Miscellaneous income	1,234.47		1,920.77
(vi) Commission	5,304.06		3,343.07			2,459.15	2,969.21
(vii) Mobilisation Services	-		2,223.33			5,917.39	6,448.83
(viii) Processing Charges	175.83		95.24				
(ix) Others	129.26		102.71				
		132,092.56	119,370.36				
(c) Other operating revenues:				<b>24. Cost of materials consumed</b>			
(i) Rent and amenity charges on leased properties	872.96		1,136.54	Opening stock of raw materials and components	7,383.44		8,273.54
(ii) Rental income from leased data processing equipment [see Note 37(c)]	300.72		200.40	Add: Purchases	64,573.20		55,360.10
(iii) Interest on Instalments and other penal charges recovered	2,273.74		2,004.16		71,956.64		63,633.64
(iv) Export Incentives	56.88		37.66	Less: Closing stock of raw materials and components	6,493.04		7,383.44
(v) Others	626.25		651.25		65,463.60		56,250.20
		4,130.55	4,030.01				
		357,564.58	309,287.44	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>23. Other income</b>							
(a) Interest income							
(i) on long-term investments	1.98		2.12				
(ii) on bank deposits	394.68		847.68				
(iii) on inter corporate deposits	58.07		70.58				
(iv) from customers and others	13.05		14.03				
(v) Others							
- Income tax refund	129.48		167.65				
- on loan to employees and others	0.14		0.23				
		597.40	1,102.29				
(b) Dividend income:							
(i) from long term investments	0.06		0.05				
(ii) from current investments	156.79		79.19				
		156.85	79.24				

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	Year ended 31st March, 2015	Year ended 31st March, 2014		Year ended 31st March, 2015	Year ended 31st March, 2014
₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
<b>25. Changes in inventories of finished goods, work-in-progress and stock-in-trade</b>			<b>29. Other expenses</b>		
(a) Inventories at the end of the year:			(a) Consumption of stores and spare parts	2,736.54	1,583.12
(i) Finished goods	1,204.71	1,337.90	(b) (Decrease) / Increase on excise duty on inventory	(17.04)	22.38
(ii) Work-in-progress	610.21	700.04	(c) Processing charges	1,255.93	1,221.94
(iii) Stock-in-trade	24,243.42	26,620.84	(d) Power and fuel	1,552.41	1,367.83
(iv) Real estate development work in progress	1,043.30	177.79	(e) Operating costs for shipping and logistics division		
	27,101.64	28,836.57	(i) Charter hire charges	41,710.50	38,882.72
(b) Inventories at the beginning of the year:			(ii) Equipment hire charges	7,830.02	238.91
(i) Finished goods	1,337.90	1,609.69	(iii) Transportation, freight, handling and other charges	15,860.15	21,632.88
(ii) Work-in-progress	700.04	583.30	(iv) Vessel operating expenses	163.58	135.24
(iii) Stock-in-trade	26,620.84	20,517.06		65,564.25	60,889.75
(iv) Real estate development work in progress	177.79	70.98	(f) Rent	3,952.08	3,141.84
	28,836.57	22,781.03	(g) Repairs to		
Net Decrease / (Increase)	1,734.93	(6,055.54)	(i) Buildings	355.02	256.93
<b>26. Employee benefits expense</b>			(ii) Machinery	1,443.33	591.24
(a) Salaries and wages	59,768.74	45,445.26	(iii) Others	2,035.66	1,757.75
(b) Contribution to provident and other funds	2,167.35	1,841.35		3,834.01	2,605.92
(c) Pension Liabilities written back (refer Note 43)	(1,417.76)	-	(h) Insurance	782.27	616.80
(d) Staff welfare expense	1,210.83	1,108.57	(i) Crew and other related expenses	273.69	2,825.46
	61,729.16	48,395.18	(j) Rates and taxes (excluding taxes on income)	1,775.10	1,503.03
<b>27. Finance costs</b>			(k) Brokerage, commission, discount and other selling expenses	15,293.94	11,040.38
(a) Interest expense on			(l) Printing and Stationery	790.26	772.41
(i) Borrowings	7,259.01	5,131.19	(m) Communication	1,667.00	1,422.37
(ii) Trade payables	24.56	8.86	(n) Advertisement	6,971.28	6,321.13
(iii) Delayed payment of taxes	20.19	128.31	(o) Legal and professional charges [including commission to other than wholetime directors of subsidiary companies ₹ 213.05 Lakhs (Previous Year ₹ 165.84 Lakhs)]	3,340.16	3,604.12
	7,303.76	5,268.36	(p) Travelling and conveyance	3,240.16	3,009.93
(b) Other borrowing costs	1,188.82	1,827.25	(q) Payments to the auditor (net of service tax input credit, where applicable):		
(c) Net loss on foreign currency transactions and translation (considered to be as finance cost)	622.03	832.00	(a) To Statutory Auditors		
	9,114.61	7,927.61	(i) For audit	240.24	272.54
<b>28. Depreciation and amortisation expense</b>			(ii) For taxation matters *	25.38	27.87
(a) Depreciation of tangible assets (see Note 12A)	1,088.59	4,408.41	(iii) For company law matters	0.35	0.35
(b) Amortization of intangible assets (see Note 12B)	1,073.39	1,006.12	(iv) For other services *	22.64	18.43
	2,161.98	5,414.53	(v) For reimbursement of expenses	3.69	4.26
				292.30	323.45
			(b) To Cost Auditors for Cost Audit	2.50	2.30
				294.80	325.75

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	Year ended 31st March, 2015	Year ended 31st March, 2014		Year ended 31st March, 2015	Year ended 31st March, 2014
	₹ in Lakhs	₹ in Lakhs		₹ in Lakhs	₹ in Lakhs
<b>29. Other expenses (contd...)</b>			<b>31. Contingent liabilities:</b>		
(r) Bad trade receivables / advances written off	1,634.15	507.16	(a) <b>Claims against the Company not acknowledged as debts</b>		
Less: Provision held	68.11	41.48	<b>1 Taxes in dispute:-</b>		
	1,566.04	465.68	(i) Excise demand	6,579.04	6,536.04
(s) Service Charges	17,188.37	15,562.21	(ii) Sales tax	6,447.28	5,073.50
(t) Managed Assets Service Provider's (MASP) charges	730.31	422.56	(iii) Income-tax	5,538.57	2,494.04
(u) Other Establishment Expenses	4,789.62	4,186.60	(iv) Service-tax	748.35	706.67
(v) Freight and forwarding charges	4,699.44	3,915.89	(v) Entry-tax	76.90	38.45
(w) Royalty expenses	17.18	32.87	(vi) Customs duty	2.00	2.70
(x) Outsourced Contract expenses	1,555.37	1,342.13	(vii) Wealth tax	14.95	36.12
(y) Real estate development charges	865.52	106.81	(viii) Property tax	451.61	551.61
(z) Vehicle expenses and maintenance	2,423.04	2,360.42	(ix) Default Bank Interest	-	42.44
(aa) Information technology expenses	2,683.83	2,660.59	(x) Maharashtra Cess Act	Not Assessed	Not Assessed
(ab) Conference expenses	1,568.41	1,352.17			
(ac) Loss on sale / write off of fixed assets	1.63	42.65	2 Labour matters in dispute	9.00	6.00
(ad) Net loss on foreign currency transactions and translation (other than considered as finance cost)	184.90	173.46	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
(ae) Mobilisation expenses	2,050.39	3,676.83	4 Customer claims	2,594.82	2,582.93
(af) Provision for doubtful trade receivables / loans and advances	934.96	674.98	5 Supplier claims	-	15.00
(ag) Provision for diminution in the value of investments	0.10	-	6 Other legal matters	50.93	33.30
(ah) Provision for estimated losses on onerous contracts	-	60.48			
(ai) Provision for impairment on fixed assets (Ships)	-	60.82	<b>(b) Guarantees</b>		
(aj) Expenditure towards Corporate Social Responsibility (CSR Activities)	178.87	-	(i) Guarantees given on behalf of Shipping Principals and Surety Bonds jointly executed with third parties in favour of customs and other parties	12,404.50	14,193.93
(ak) Provision for diminution in the value of Land	10.21	-	(ii) Mortgage of land	13.00	13.00
(al) Miscellaneous expenses	2,712.59	2,168.10	(c) In the year 2009, Eureka Forbes Limited (the company) entered into a five year tenure agreement with IBM India Private Limited for outsourcing of the company's Information Technology infrastructure and Business transformation requirements. The desired benefits as laid down under the agreement were not being derived by the company even after completion of three years of the arrangement with IBM. Disputes have therefore arisen and the agreement has been terminated. IBM has raised a claim of ₹7,500 lakhs on the Company & the Company has raised a counter claim of ₹ 26,150 lakhs on IBM. The matter has been referred to Arbitration and the arbitration proceedings have commenced in the financial year 2012-13 and the matter is sub-judice. In the opinion of the management, considering the claim of the company against claim by IBM, liability provision is not required in the books of account.		
	157,467.62	141,539.41	(d) Forbes Facility Services Pvt. Ltd. had entered into an agreement with a labour contractor for supply of man power at various sites. There was dispute with a labour contractor and the matter was referred to arbitration. Based on the legal opinion received by the company, in the opinion of the management considering the counter claim filed by the company of ₹ 304.54 lakhs against the claim of the labour contractor of ₹ 351 lakhs, no provision is required in the books of account.		
<b>30. Exceptional items - (Expense) / Income</b>					
(a) Prior period adjustments :					
(i) Effect of difference between audited and unaudited statement of profit and loss of a jointly controlled entity for the previous year	-	54.32			
(ii) Effect of expenses and income of subsidiary not consolidated last year	-	1.20			
	-	55.52			
(b) Gain on cessation of joint venture interest in a jointly controlled entity	167.23	0.02			
(c) Gain on Cessation of Subsidiary	62.68	81.36			
(d) Impairment of goodwill on consolidation	(1,159.23)	-			
(e) Termination benefits and one time settlement with employees	(80.57)	(186.50)			
(f) Sharing of expenses	-	(1,161.99)			
	(1,009.89)	(1,211.59)			



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

- (e) 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 G B Pant to the Company, as a result of which an amount of ₹ 315.21 lakhs has been withheld by G B Pant. This matter has been referred for arbitration. Based on legal advice received by the company, the management is of the opinion that no provision is required for the above amount.
- (f) Civil suit has been filed by vendors against Aquamall water Solutions Ltd for ₹ 33.73 lakhs and matter is subjudice. In the opinion of the Management provision is not required in the books of accounts.
- (g) Forbes Container Line Pte. Ltd, Singapore, received orders of tax assessment (the "Orders") from the Income Tax Authority of India ("ITAI") in respect of the presumptive taxation imposed on the Company's gross receipts from shipping business in India in relation to financial years ended 31 March 2009 to 2012. Based on the Orders, a total income tax has been imposed on 7.5% of gross receipts earned by the Company for the respective financial years including interest payable thereon amounting to approximately SGD 7.60 Lakhs (equivalent to ₹ 365 Lakhs). The ITAI has assessed the Company as a non-vessel operating common carrier receiving income from its shipping business in India. The ITAI has further considered the Company to have a permanent establishment (PE) in India on the ground that the Company's ultimate management and control is situated in India since the Company is a Wholly owned subsidiary of Forbes and Company Limited, a Company incorporated in India. The ITAI therefore concludes that the Company is not eligible for the claimed exemption benefit under the double taxation avoidance agreement between India and Singapore and their income is chargeable to tax in India.

The Company has filed an objection and made an appeal for these tax assessments, and the outcome is pending as on the balance sheet date.

As of 31 March 2015, the Company has paid a total of SGD 0.33 Lakhs (equivalent to ₹ 18 Lakhs) in relation to the Orders, which are included in other current assets.

- (h) In case of Forbes Bumi Armada Offshore Limited, ONGC had deducted in 2014 ₹ 2,412.97 Lakhs towards diesel provided by them during the mobilization phase of FPSO. The Company has contested this claim and as per the terms of contract the matter is currently being pursued by "Outside Expert Committee"

appointed as per the terms of the contract. During the year against the said claim, the Company has received ₹ 455.50 Lakhs

Further, the Company has entered into an agreement dated January 15, 2014 with Armada D1 Pte. Limited (ADPL) wherein partially the said claim is reimbursable from them in case the Company has to incur the diesel cost. Considering the probability of claim being accepted and principle of prudence, the Company has provided for the said amounts. Consequentially,

- The Statement of Profit and Loss includes a net charge of ₹ 113.67 Lakhs (*Previous year ₹ 1,162.01 Lakhs*) in note 30 (Net of reimbursable amount of ₹ 681.58 Lakhs from ADPL).
- The gross provision of ₹ 1,957.26 Lakhs made has been disclosed as "Provision for doubtful trade receivables" in note 18.
- The gross amount recoverable from ADPL has been disclosed as "Loans and advances to related parties" in note 14.

Further, pending settlement of this claim as per the terms of the above referred contract, the Company has paid an advance to Armada D1 Pte. Limited of ₹ 681.58 Lakhs which is being disclosed as "Loans and advances to related parties" in note 14.

- (i) Share in contingent liability of associate :

The Contingent Liabilities as on 31st March, 2015 in case of Nuevo Consultancy Services Limited is ₹ 103.01 Lakhs (*Previous year ₹ Nil*).

### Note:

In respect of item mentioned above, till the matters are finally decided, the timing of outflow of economic benefit cannot be ascertained.

## 32. Capital and other commitments

- Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 542.59 Lakhs (*Previous year: ₹ 412.48 Lakhs*; ) [net of advance paid aggregating ₹ 249.59 Lakhs ; (*Previous year: ₹ 238.71 Lakhs*)]
- For Service performance ₹ 616.83 Lakhs (*Previous Year ₹ 516.62 Lakhs*)
- For product performance ₹ 164.73 Lakhs (*Previous Year ₹ 1,577.62 Lakhs*)
- For commitments relating to lease arrangements, please see note 37(a) and for derivative contracts, see Note 40A

## 33. Details of Provisions

The Group has made provisions for various contractual obligations and disputed liabilities based on its assessment of the amount it estimates to incur to meet such obligations, details of which are given below:

Particulars	As at 1st April, 2014	Additions	Utilisation	Reversal (withdrawn as no longer required)	As at 31st March, 2015
Provision for warranty	1,342.88 <i>771.61</i>	1,180.12 <i>1,470.33</i>	929.42 <i>879.09</i>	(163.65) <i>(19.97)</i>	1,429.93 <i>1,342.88</i>
Provision for estimated losses on onerous contracts	324.50 <i>264.00</i>	- <i>60.50</i>	50.50 <i>-</i>	- <i>-</i>	274.00 <i>324.50</i>
Provision for disputed statutory demands	366.38 <i>505.02</i>	100.00 <i>-</i>	- <i>138.64</i>	(1.16) <i>-</i>	465.22 <i>366.38</i>
Total	<b>2,033.76</b>	<b>1,280.12</b>	<b>979.92</b>	<b>(164.81)</b>	<b>2,169.15</b>
<i>Previous Year</i>	<i>1,540.63</i>	<i>1,530.83</i>	<i>1,017.73</i>	<i>(19.97)</i>	<i>2,033.76</i>

Note: Figures in italics relate to the previous year

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

### 34. Employee benefits obligations

#### Defined-contribution plans:

The Group has recognised the following amounts in the consolidated statement of profit and loss in Note 26(b), "Contributions to provident and other funds":

Particulars	Year ended 31st March, 2015 ₹ in Lakhs	Year ended 31st March, 2014 ₹ in Lakhs
Provident fund	585.12	921.63
Superannuation fund	181.61	214.89
Total contribution	766.73	1,136.52

#### Defined-benefits plans:

In terms of the guidance note issued by the Institute of Actuaries of India, the actuary has provided a valuation of provident fund liability based on the assumptions listed below and determined a shortfall of ₹ Nil (*Previous year ₹ 10.54 Lakhs*) as at 31st March, 2015 and the same is recognised in the consolidated statement of profit and loss based on actuarial valuation.

The assumptions used in determining the present value of obligation of the interest rate guarantee under deterministic approach are:-

	31st March, 2015	31st March, 2014
Remaining terms of maturity (in years)	15	14
Expected guarantee interest rate	7.99%	8.75%
Discount rate for the remaining term to maturity of interest portfolio	7.99%	9.32%

Details of defined benefit plans are as follows:

(₹ in Lakhs)

	31st March, 2015			31st March, 2014		
	Funded	Non funded		Funded	Non Funded	
	Gratuity	Gratuity	Others (Post Retirement medical and non compete fees)	Gratuity	Gratuity	Others (Post Retirement medical and non compete fees)
Present value of commitments	2,240.84	133.57	433.40	2,062.63	98.02	401.67
Fair value of plan assets	2,093.00	-	-	2,032.44	-	-
<b>Net Liability in the balance sheet</b>	<b>147.84</b>	<b>133.57</b>	<b>433.40</b>	<b>30.19</b>	<b>98.02</b>	<b>401.67</b>

Defined benefit commitments:						
<b>Opening balance as at 1<sup>st</sup> April</b>	2062.63	98.02	401.67	2,135.08	84.58	389.40
Transfer from non-funded to funded	-	-	-	-	-	-
Acquisition / (Disposal) of Subsidiary	(13.75)	-	-	-	-	-
Interest expense	195.15	9.06	37.44	163.08	6.90	32.13
Current service cost	134.17	18.20	4.00	139.20	15.37	4.53
Paid benefits	(296.13)	(8.76)	(58.95)	(373.18)	(12.67)	(53.97)
Actuarial (gain) / loss	290.55	17.05	49.24	42.95	3.84	29.58
Currency Translation Adjustment	(131.78)	-	-	(44.50)	-	-
<b>Closing balance as at 31<sup>st</sup> March</b>	<b>2,240.84</b>	<b>133.57</b>	<b>433.40</b>	<b>2,062.63</b>	<b>98.02</b>	<b>401.67</b>

Plan Assets						
<b>Opening balance as at 1<sup>st</sup> April</b>	2,032.44	-	-	1,836.37	-	-
Acquisition of Subsidiary	(26.00)	-	-	-	-	-
Expected return on scheme assets	175.20	-	-	150.98	-	-
Contributions by the group	109.75	-	-	401.49	-	-
Paid funds	(296.13)	-	-	(373.18)	-	-
Actuarial gain / (loss)	97.74	-	-	16.78	-	-
<b>Closing balance as at 31st March</b>	<b>2,093.00</b>	<b>-</b>	<b>-</b>	<b>2,032.44</b>	<b>-</b>	<b>-</b>

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015**

(₹ in Lakhs)

	31st March, 2015			31st March, 2014		
	Funded	Non funded		Funded	Non Funded	
	Gratuity	Gratuity	Others (Post Retirement medical and non compete fees)	Gratuity	Gratuity	Others (Post Retirement medical and non compete fees)
<b>Return on Plan Assets</b>						
Expected return on plan assets	175.20	-	-	150.98	-	-
Actuarial gain / (loss)	97.74	-	-	16.78	-	-
Actual return on plan assets	<b>272.94</b>	-	-	<b>167.76</b>	-	-

<b>Expenses on defined benefit plan:</b>						
Current service costs	134.17	18.20	4.00	139.20	15.37	4.53
Past service cost	-	-	-	-	-	-
Interest expense	195.15	9.08	37.44	163.08	6.90	32.13
Expected return on investment	(175.20)	-	-	(150.98)	-	-
Net actuarial (gain) / loss	192.81	17.05	49.24	26.17	3.84	29.58
<b>Expenses charged to the Statement of profit and loss</b>	<b>346.93</b>	<b>44.33</b>	<b>90.68</b>	<b>177.47</b>	<b>26.11</b>	<b>66.24</b>

<b>Investment details</b>	<b>31st March, 2015</b>	<b>31st March, 2014</b>
Funds managed by Insurer	<b>35.97%</b>	88.07%
Public Sector Unit Bonds	<b>0.00%</b>	0.00%
Private sector unit bonds	<b>39.99%</b>	6.30%
State/Central Guaranteed Securities	<b>17.20%</b>	4.97%
Special deposit schemes	<b>6.84%</b>	0.66%
Others (excluding Bank Balances)	<b>0.00%</b>	0.00%
	<b>100.00%</b>	100.00%

The actuarial calculations used to estimate defined benefit commitments for gratuity and expenses are based on the following assumptions which if changed, would affect the defined benefit commitment's size, funding requirements and expense.

	<b>31st March, 2015</b>	<b>31st March, 2014</b>
Rate for discounting liabilities	<b>7.75% to 8.03%</b>	8.85% to 9.38%
Expected salary increase rate	<b>3.50% to 10.00%</b>	3.50% to 10.00%
Expected return on scheme assets	<b>7.94% to 8.03%</b>	8.70% to 8.85%
Mortality rates	<b>Indian Assured Lives Mortality (2006-08) Ultimate</b>	Indian Assured Lives Mortality (2006-08) Ultimate

The expected return on plan assets is based on asset allocation and the market expectation, at the beginning of the period for returns over the entire life of the related obligation. These include changes in the fair value of the plan assets held during the period.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

The actuarial calculations used to estimate defined benefit Medical quota entitled for Ex-Directors / their spouses are based on the following assumptions :

	31st March, 2015	31st March, 2014
Rate for discounting liabilities	7.96%	9.32%
Mortality rates	LIC 94-96 Table	LIC 94-96 Table

### Experience adjustment:

### Gratuity

(₹ in Lakhs)

	2014-15	2013-14	2012-13	2011-12	2010-11
Defined benefit obligation	2,240.84	2,062.63	2,135.08	1,834.04	1,776.79
Plan asset	2,093.00	2,032.44	1,836.37	1,488.41	1,381.04
Deficit in plan asset	147.84	30.19	298.71	345.63	395.75
Experience adjustment on plan assets (loss) / gain	97.74	16.78	5.49	11.66	(9.99)
Experience adjustment on plan liabilities loss / (gain)	26.38	26.38	159.12	50.56	145.25

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

The contribution expected to be made by the Company during the financial year 2014-15 is ₹ 101.57 lakhs (*Previous year: ₹ 58.70 Lakhs*).

The aforesaid disclosures have been made to the extent information available in the individual financial statements of the Company and its subsidiaries/ joint ventures. Accordingly, the net liability in respect of gratuity and other post retirement benefits disclosed in Note 7 - Long term Provisions and Note 11 - Short term provisions would not reconcile with the figures disclosed above.

### Other Post Retirement Benefits

The information in respect of medical cost trend rates and the effect of an increase / decrease of 1% point in the assumed medical cost trend rates on current service cost, interest cost, accumulated post employment benefit cost and experience adjustment is not available; during the year, medical cost of ₹ 4.34 Lakhs (*Previous year: ₹ 12.05 Lakhs*) is recognised to the statement of profit and loss based on actuarial valuation.

The Company has charged amounts aggregating ₹ 86.33 Lakhs; (*Previous year: ₹ 78.29 Lakhs*) to the statement of profit and loss based on actuarial valuation [Present value of future obligation as at 31st March, 2015 ₹ 411.57 Lakhs; (*Previous year: ₹ 384.17 Lakhs*)] and paid ₹ 58.92 Lakhs (*Previous year: ₹ 53.96 Lakhs*), towards the post retirement arrangements to former Managing Directors and other Directors.

### 35. Segment reporting

The Group has identified business segments as its primary segment and geographical segments as its secondary segment. Business segments are primarily 'Engineering', 'Health, Hygiene & Safety products and its services', 'Shipping & Logistics Services', 'Real Estate', 'IT enabled services', 'Energy Solution' and 'Others' which comprises of Education auxiliary services and other services. The Group caters to the needs of 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 FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

(₹ in Lakhs)

(a) Information about primary business segments for the year:

Particulars	Engineering		Health, Hygiene & Safety products and its services		Shipping and Logistics Services		Real Estate		IT enabled services		Energy Solution		Others		Eliminations		Total
	31st March, 2015	31st March, 2014	31st March, 2015	31st March, 2014	31st March, 2015	31st March, 2014	31st March, 2015	31st March, 2014	31st March, 2015	31st March, 2014	31st March, 2015	31st March, 2014	31st March, 2015	31st March, 2014	31st March, 2015	31st March, 2014	
External segment revenue	14,723.31	14,144.65	2,23,218.40	1,87,071.45	82,062.94	78,457.54	872.96	1,136.34	31,657.26	24,941.57	2,070.64	971.10	-	-	-	-	3,54,605.51
Add: Inter segment revenue	3.13	-	20.30	29.85	7.51	14.52	295.69	179.01	54.54	4.20	2,070.64	971.10	-	-	(381.17)	(227.58)	3,06,722.85
<b>Revenue from operations</b>	<b>14,726.44</b>	<b>14,144.65</b>	<b>2,23,238.70</b>	<b>1,87,101.30</b>	<b>82,070.45</b>	<b>78,472.06</b>	<b>1,168.65</b>	<b>1,315.35</b>	<b>31,711.80</b>	<b>24,945.77</b>	<b>2,070.64</b>	<b>971.10</b>	<b>-</b>	<b>-</b>	<b>(381.17)</b>	<b>(227.58)</b>	<b>3,54,605.51</b>
<b>Segment Results - Profit / (Loss) (including exceptional items related to segments)</b>	<b>1,381.73</b>	<b>684.16</b>	<b>13,923.35</b>	<b>10,209.15</b>	<b>1,208.99</b>	<b>3,920.50</b>	<b>513.95</b>	<b>854.66</b>	<b>952.09</b>	<b>758.90</b>	<b>83.18</b>	<b>(1,097.04)</b>	<b>(41.77)</b>	<b>(75.71)</b>	<b>-</b>	<b>-</b>	<b>15,254.62</b>
Add: Unallocated income																	993.75
Less: Unallocated expenses																	1,762.52
Add: Exceptional items other than related to segments																	(1,882.79)
<b>Profit before tax and finance costs</b>																	59.84
Less: finance costs																	(162.47)
<b>Provision for taxation:</b>																	17,192.32
Current tax expense for current year																	15,128.33
MAT credit entitlement																	(9,927.61)
(Excess) / short provision for current tax relating to prior years																	8,077.71
Deferred tax																	7,200.72
<b>Profit after tax</b>																	3,976.75
<b>Capital employed</b>																	2,373.73
<b>Segment assets</b>	<b>7,622.07</b>	<b>9,779.54</b>	<b>1,76,933.52</b>	<b>1,76,281.15</b>	<b>52,454.87</b>	<b>26,079.03</b>	<b>4,478.33</b>	<b>3,484.05</b>	<b>22,017.45</b>	<b>16,871.19</b>	<b>2,632.85</b>	<b>2,719.82</b>	<b>6.31</b>	<b>8.50</b>	<b>-</b>	<b>-</b>	<b>2,66,145.40</b>
Unallocated corporate assets																	2,35,222.28
<b>Total assets</b>																	<b>15,615.14</b>
<b>Segment liabilities</b>	<b>2,753.39</b>	<b>3,279.75</b>	<b>85,988.25</b>	<b>85,980.37</b>	<b>11,712.71</b>	<b>11,146.39</b>	<b>1,483.10</b>	<b>4,253.18</b>	<b>5,961.82</b>	<b>5,339.19</b>	<b>1,108.46</b>	<b>1,365.49</b>	<b>3.19</b>	<b>10.86</b>	<b>-</b>	<b>-</b>	<b>2,81,760.52</b>
Unallocated corporate liabilities																	2,49,106.51
<b>Total liabilities</b>																	<b>1,09,010.92</b>
<b>Capital employed</b>	<b>4,868.68</b>	<b>6,499.79</b>	<b>90,945.27</b>	<b>90,300.78</b>	<b>40,742.16</b>	<b>14,929.64</b>	<b>2,995.23</b>	<b>(769.13)</b>	<b>16,055.63</b>	<b>11,532.00</b>	<b>1,524.39</b>	<b>1,354.33</b>	<b>3.12</b>	<b>(2.36)</b>	<b>-</b>	<b>-</b>	<b>1,12,941.53</b>
<b>Cost incurred to acquire segment assets including adjustments on account of capital work-in-progress</b>	<b>274.59</b>	<b>122.62</b>	<b>3,863.51</b>	<b>6,983.81</b>	<b>1,078.47</b>	<b>277.39</b>	<b>24.94</b>	<b>24.03</b>	<b>2,851.05</b>	<b>1,822.25</b>	<b>-</b>	<b>-</b>	<b>1.88</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,13,977.47</b>
Unallocated cost incurred to acquire assets including adjustments on account of capital work-in-progress																	1,68,819.01
<b>Total capital expenditure</b>																	<b>1,35,129.06</b>
<b>Segment depreciation / amortisation</b>	<b>571.61</b>	<b>1,086.11</b>	<b>(244.01)</b>	<b>2,892.80</b>	<b>927.98</b>	<b>990.95</b>	<b>(121.91)</b>	<b>85.46</b>	<b>300.71</b>	<b>213.25</b>	<b>10.47</b>	<b>9.87</b>	<b>63.40</b>	<b>65.90</b>	<b>-</b>	<b>-</b>	<b>8,126.88</b>
Unallocated corporate depreciation / amortisation																	9,281.75
<b>Total depreciation / amortisation</b>																	<b>32.44</b>
<b>Non-cash segment expenses other than depreciation / amortisation</b>	<b>22.23</b>	<b>43.95</b>	<b>(78.38)</b>	<b>764.65</b>	<b>941.35</b>	<b>263.88</b>	<b>-</b>	<b>-</b>	<b>22.53</b>	<b>152.75</b>	<b>0.10</b>	<b>60.50</b>	<b>-</b>	<b>1.74</b>	<b>-</b>	<b>-</b>	<b>8,126.88</b>
Unallocated non-cash expenses other than depreciation / amortisation																	9,281.75
<b>Total non-cash expenses other than depreciation / amortisation</b>																	<b>1,352.06</b>

(b) Information about geographical business segment for the year

	Within India			Outside India			Unallocated			Total
	31st March, 2015	31st March, 2014	31st March, 2015	31st March, 2015	31st March, 2014	31st March, 2015	31st March, 2015	31st March, 2015	31st March, 2014	
<b>Revenue</b>	<b>2,80,024.06</b>	<b>2,52,436.11</b>	<b>74,581.45</b>	<b>54,286.74</b>	<b>156,15.14</b>	<b>13,883.25</b>	<b>2,81,760.52</b>	<b>3,06,722.85</b>		
<b>Assets</b>	<b>1,11,542.12</b>	<b>1,31,156.63</b>	<b>1,54,603.28</b>	<b>1,04,066.63</b>	<b>1,11,542.12</b>	<b>1,31,156.63</b>	<b>1,54,603.28</b>	<b>2,81,760.52</b>	<b>2,49,106.53</b>	
<b>Cost incurred to acquire segment assets including adjustments on account of capital work-in-progress</b>	<b>7,038.08</b>	<b>9,014.76</b>	<b>1,056.36</b>	<b>215.34</b>	<b>32.44</b>	<b>51.65</b>	<b>8,126.88</b>	<b>9,281.75</b>		

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

### 36. Related party disclosures

#### (A) Holding Company

- 1 Shapoorji Pallonji & Company Limited

#### (B) Fellow Subsidiaries (where there are transactions) :

- 1 Afcons Infrastructure Limited
- 2 Forvol International Services Limited
- 3 Gokak Textiles Limited
- 4 Shapoorji Pallonji Infrastructure Capital Co. Limited
- 5 Shapoorji Pallonji Investment Advisors Pvt. Limited
- 6 Shapoorji Pallonji Energy (Gujarat) Pvt. Limited
- 7 Sterling and Wilson Limited
- 8 SP Fabricators Pvt. Limited
- 9 SP Armada Oil Exploration Pvt. Limited

#### (C) Associate Companies (where there are transactions):

- 1 The Svadeshi Mills Company Limited
- 2 Coromondal Garments Limited (Subsidiary of The Svadeshi Mills Company Limited)
- 3 Euro P2P Direct (Thailand) Co. Limited
- 4 Nuevo Consultancy Services Limited

#### (D) Joint Ventures (where there are transactions): \*

- 1 Edumetry Inc
- 2 Forbes Aquatech Limited
- 3 Forbes Concept Hospitality Services Pvt. Limited
- 4 Forbes G4S Solutions Pvt. Ltd
- 5 Infinite Water Solutions Pvt. Limited
- 6 Nypro Forbes Products Limited
- 7 SCI Forbes Limited
- 8 Aquaignis Technologies Pvt. Limited
- 9 AMC Cookware Pte Ltd. (Joint Venture of Lux International AG) (w.e.f. 5th June, 2013)
- 10 Eurolife Regen Pvt Ltd (Joint Venture of Eureka Forbes Ltd.)

#### (E) Key Management Personnel:

- 1 Managing Director of Forbes & Company Ltd., Mr. Ashok Barat.
- 2 Managing Director of Eureka Forbes Ltd., Mr. S.L. Goklaney.

\* Transactions with Joint Venture has been disclosed excluding group's share

### 36. Related party disclosures (contd.)

(₹ in Lakhs)

#### (b) Details of related party transactions during the year ended 31st March, 2015 and balances outstanding as at 31st March, 2015:

	Nature of Transaction	Parties in A above	Parties in B above	Parties in C above	Parties in D above	Parties in E above	Total
1	<b>Purchases</b>						
	Goods and Materials	-	-	-	5,015.88	-	5,015.88
		-	-	-	1,648.95	-	1,648.95
2	Fixed Assets	-	-	-	0.55	-	0.55
		-	-	-	1,950.91	-	1,950.91
3	<b>Sales</b>						
	Goods and Materials	172.60	402.96	-	224.86	-	800.42
		113.18	19.01	-	256.04	-	388.23
4	Services Rendered	9.92	113.88	-	-	-	123.80
		-	4.23	-	0.27	-	4.50
5	<b>Expenses</b>						
	Rent	-	13.46	-	-	115.15	128.61
		-	12.40	-	65.86	4.55	82.81
6	Travelling and conveyance expenses	-	151.49	-	-	-	151.49
		-	110.16	-	-	-	110.16
7	Transportation, freight, handling and other charges	-	8.53	-	-	-	8.53
		-	1.22	-	-	-	1.22
8	Recovery of Expenses	-	-	-	-	-	-
		-	-	0.42	0.13	-	0.55
9	Diminution in Value of Investments	-	-	-	-	-	-
		-	-	-	112.50	-	112.50
10	Interest Paid	15.51	-	-	5.57	-	21.08
		18.83	-	-	-	-	18.83
11	Write offs of Investments	-	-	-	-	-	-
		-	-	-	426.47	-	426.47



# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

## 36. Related party disclosures (contd.)

(₹ in Lakhs)

### (b) Details of related party transactions during the year ended 31st March, 2015 and balances outstanding as at 31st March, 2015:

	Nature of Transaction	Parties in A above	Parties in B above	Parties in C above	Parties in D above	Parties in E above	Total
12	Provision for doubtful loans and advances	-	-	-	-	-	-
		-	-	-	0.75	-	0.75
13	Bad trade receivables / advances written off	-	-	-	444.23	-	444.23
		2.11	-	-	-	-	2.11
14	Miscellaneous expenses	-	7.92	-	69.63	-	77.55
		-	1.07	-	15.93	-	17.00
15	<b>Dividend Payment</b>	-	-	-	-	-	-
		46.48	-	-	-	-	46.48
	<b>Income</b>						
16	Rent and Other Service Charges	35.61	108.20	-	32.86	-	176.67
		23.35	60.54	-	29.63	-	113.52
17	Interest Received	-	-	-	52.34	-	52.34
		-	-	-	72.02	-	72.02
18	Miscellaneous Income	0.59	0.52	-	1,687.98	-	1,689.09
		1.89	0.50	-	50.32	-	52.71
	<b>Other Receipts</b>						
19	Other Reimbursements	-	20.27	5.73	30.71	-	56.71
		0.33	4.91	-	52.94	-	58.18
	<b>Finance</b>						
20	Inter-corporate deposits given	-	-	14.50	-	-	14.50
		-	-	-	201.76	-	201.76
21	Inter-corporate deposits taken	200.00	-	-	-	-	200.00
		300.00	-	-	-	-	300.00
22	Repayment of deposits taken	275.00	-	-	-	-	275.00
		300.00	-	-	-	-	300.00
23	Repayment of deposits given	-	-	5.73	608.08	-	613.81
		-	-	-	50.00	-	50.00
	<b>Outstandings</b>						
24	Trade Payables	-	21.69	-	628.46	-	650.15
		0.12	5.48	-	648.78	-	654.38
25	Interest Accrued	-	-	-	7.89	-	7.89
		8.39	-	-	134.94	-	143.33
26	Trade Receivables	44.59	387.05	20.15	51.64	-	503.43
		37.43	2.09	20.15	7.52	-	67.19
27	Long Term Loans and Advances	-	-	4,756.91	36.01	-	4,792.92
		-	9.11	4,756.77	36.01	-	4,801.89
28	Short Term Loans and Advances	-	12.96	9.27	44.74	-	66.97
		-	18.86	1.61	719.10	-	739.57
29	Provision for Doubtful Loans and Advances	-	-	4,756.91	36.01	-	4,792.92
		-	-	4,757.88	36.01	-	4,793.89
30	Provision for Doubtful Trade Receivables	-	-	20.15	-	-	20.15
		-	-	20.15	-	-	20.15
31	Borrowings	-	-	-	3.76	-	3.76
		75.00	-	-	3.76	-	78.76
32	Guarantees Taken	3,130.22	-	-	-	-	3,130.22
		2,990.53	-	-	-	-	2,990.53
33	Remuneration	-	-	-	-	581.39	581.39
		-	-	-	-	469.62	469.62

Footnote : Figures in italics are in respect of the previous year.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

### 36. Related party disclosures (contd.)

#### (c) The above Transactions includes:

(₹ in Lakhs)

		A	B	B	B	B	B	B	B	C	C
		Shapoorji Pallonji & Company Limited	Afcos Infrastructure Limited	Forvol International Services Limited	Gokak Textiles Limited	Shapoorji Pallonji Investment Advisors Private Limited	Sterling and Wilson Limited.	SP Armada Oil Exploration Pvt Limited	SP Fabricators Private Limited	The Svadeshi Mills Company Limited	Neuvo Consultancy Service Limited
	<b>Nature of Transaction</b>										
	<b>Purchases</b>										
1	Goods and Materials	-	-	-	-	-	-	-	-	-	-
2	Fixed Assets	-	-	-	-	-	-	-	-	-	-
	<b>Sales</b>										
3	Goods and Materials	172.60	-	-	-	-	346.51	-	-	-	-
4	Services Rendered	113.18	-	-	-	-	-	107.19	-	-	-
	<b>Expenses</b>										
5	Rent	-	-	13.46	-	-	-	-	-	-	-
6	Travelling and conveyance expenses	-	-	12.40	-	-	-	-	-	-	-
7	Transportation, freight, handling and other charges	-	-	151.49	-	-	-	-	-	-	-
8	Recovery of Expenses	-	-	108.17	-	-	-	-	-	-	-
9	Diminution in Value of Investments	-	-	8.53	-	-	-	-	-	-	-
10	Interest Paid	-	-	1.22	-	-	-	-	-	-	-
11	Write offs of Investments	-	-	-	-	-	-	-	-	-	0.42
12	Provision for doubtful loans and advances	-	-	-	-	-	-	-	-	-	-
13	Bad trade receivables / advances written off	-	-	-	-	-	-	-	-	-	-
14	Miscellaneous expenses	15.51	-	-	-	-	-	-	-	-	-
	<b>Dividend Payment</b>										
		18.83	-	-	-	-	-	-	-	-	-
16	Rent and Other Service Charges	-	-	-	-	-	-	-	-	-	-
17	Interest Received	46.48	-	-	-	-	-	-	-	-	-
18	Miscellaneous Income	35.61	45.08	21.81	-	34.08	-	-	-	-	-
	<b>Other Receipts</b>										
19	Other Reimbursements	23.35	-	21.33	-	34.08	-	-	-	-	-
	<b>Finance</b>										
20	Inter-corporate deposits given	-	-	-	-	-	-	-	-	-	14.50
21	Inter-corporate deposits taken	-	-	-	-	-	-	-	-	-	-
22	Repayment of deposits taken	200.00	-	-	-	-	-	-	-	-	-
23	Repayment of deposits given	300.00	-	-	-	-	-	-	-	-	-
	<b>Outstandings</b>										
24	Trade Payables	-	-	-	-	-	-	-	-	-	-
25	Interest Accrued	-	-	-	-	-	-	-	-	-	-
26	Trade Receivables	-	-	-	-	-	361.16	-	-	-	-
27	Long Term Loans and Advances	37.43	-	-	-	-	-	-	-	20.15	-
28	Short Term Loans and Advances	-	-	-	12.88	-	-	-	-	4,391.78	-
29	Provision for Doubtful Loans and Advances	-	-	-	-	-	-	-	-	4,391.78	-
30	Provision for Doubtful Trade Receivables	-	-	-	-	-	-	-	-	4,391.78	-
31	Borrowings	-	-	-	-	-	-	-	-	20.15	-
32	Guarantees Taken	75.00	-	-	-	-	-	-	-	-	-
	<b>Remuneration</b>										
33		3,130.22	-	-	-	-	-	-	-	-	-
		2,990.53	-	-	-	-	-	-	-	-	-

#### Footnote

Figures in italics are in respect of the previous year.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

### 36. Related party disclosures (contd.)

#### (c) The above Transactions includes:

(₹ in Lakhs)

	D	D	D	D	D	D	D	E	E
	Aqualgnis Technologies Pvt. Ltd. (Joint Venture of Eureka Forbes Ltd.)	Edumetry Inc	Eurolife Regen Pvt. Ltd. (Joint Venture of Eureka Forbes Ltd.)	Forbes Aquatech Limited (Joint venture of Eureka Forbes Limited.)	Infinita Water Solutions Pvt.Limited. (Joint venture of Eureka Forbes Limited.)	Nyro Forbes Products Limited	SCI Forbes Limited.	Managing Director, Mr. Ashok Barat.	Managing Director, Mr. S L Goklany
<b>Nature of Transaction</b>									
<b>Purchases</b>									
1 Goods and Materials	-	-	-	2,360.71	2,513.76	-	-	-	-
2 Fixed Assets	-	-	-	-	1,648.95	-	-	-	-
	-	-	-	1,950.91	0.55	-	-	-	-
<b>Sales</b>									
3 Goods and Materials	-	-	-	214.48	-	-	-	-	-
4 Services Rendered	-	-	-	250.16	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
<b>Expenses</b>									
5 Rent	-	-	-	-	-	-	-	-	115.15
6 Travelling and conveyance expenses	-	-	-	65.86	-	-	-	-	-
7 Transportation, freight, handling and other charges	-	-	-	-	-	-	-	-	-
8 Recovery of Expenses	-	-	-	-	-	-	-	-	-
9 Diminution in Value of Investments	-	-	-	-	-	-	0.13	-	-
10 Interest Paid	-	-	-	3.16	2.41	-	112.50	-	-
11 Write offs of Investments	-	-	-	-	-	-	-	-	-
12 Provision for doubtful loans and advances	-	-	-	-	-	426.47	-	-	-
13 Bad trade receivables / advances written off	-	0.75	-	-	-	444.23	-	-	-
14 Miscellaneous expenses	-	-	-	51.17	18.45	-	-	-	-
	-	-	-	-	15.64	-	-	-	-
<b>Dividend Payment</b>	-	-	-	-	-	-	-	-	-
<b>Income</b>									
16 Rent and Other Service Charges	-	-	-	-	13.33	-	-	-	-
17 Interest Received	-	-	7.25	-	-	45.09	-	-	-
18 Miscellaneous Income	-	-	-	-	-	1,683.77	-	-	-
	-	-	-	50.14	-	-	-	-	-
<b>Other Receipts</b>									
19 Other Reimbursements	6.49	-	-	9.96	14.26	-	-	-	-
	-	-	6.50	20.42	24.00	-	-	-	-
<b>Finance</b>									
20 Inter-corporate deposits given	-	-	-	-	-	-	-	-	-
21 Inter-corporate deposits taken	-	-	150.00	-	-	51.76	-	-	-
22 Repayment of deposits taken	-	-	-	-	-	-	-	-	-
23 Repayment of deposits given	-	-	-	-	-	-	-	-	-
	-	-	120.00	-	-	488.08	-	-	-
	-	-	-	-	-	50.00	-	-	-
<b>Outstandings</b>									
24 Trade Payables	-	-	-	261.76	327.53	-	-	-	-
25 Interest Accrued	-	-	7.89	301.29	347.35	-	-	-	-
26 Trade Receivables	-	-	-	-	-	134.37	-	-	-
27 Long Term Loans and Advances	7.09	-	-	-	-	-	-	-	-
28 Short Term Loans and Advances	-	-	-	-	-	-	-	-	-
29 Provision for Doubtful Loans and Advances	-	-	30.00	150.00	13.76	551.76	-	-	-
30 Provision for Doubtful Trade Receivables	-	-	-	-	-	-	-	-	-
31 Borrowings	-	-	-	-	3.76	-	-	-	-
32 Guarantees Taken	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
<b>Remuneration</b>	-	-	-	-	-	-	-	129.67	451.72
	-	-	-	-	-	-	-	121.09	348.52

#### Footnote

Figures in italics are in respect of the previous year.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

### 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 ₹ 120.38 Lakhs; (Previous year: ₹ 122.16 Lakhs) and ₹ 119.37 Lakhs; (Previous year: ₹ 76.18 Lakhs) respectively.
- (ii) Depreciation recognised in the statement of profit and loss is ₹ 44.71 Lakhs; (Previous year: ₹ 38.01 Lakhs).

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:

Period	As at 31st March, 2015		As at 31st March, 2014	
	MLP	PV of MLP	MLP	PV of MLP
Not later than one year	311.61	250.41	77.00	69.56
Later than one year but not later than five years	867.10	778.60	81.45	78.29
Later than five years	-	-	-	-
<b>TOTAL</b>	<b>1,178.71</b>	<b>1,029.01</b>	<b>158.45</b>	<b>147.85</b>
Less: Amounts representing finance charges	(149.70)	-	(10.60)	-
Present value of minimum lease payments	<b>1,029.01</b>	<b>1,029.01</b>	<b>147.85</b>	<b>147.85</b>

#### (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 March, 2015 ₹ In Lakhs	As at 31st March, 2014 ₹ In Lakhs	As at 31st March, 2015 ₹ In Lakhs	As at 31st March, 2014 ₹ In Lakhs	As at 31st March, 2015 ₹ In Lakhs	As at 31st March, 2014 ₹ In Lakhs
Gross carrying amount	2,152.11	2,419.95	35.66	35.66	1,413.25	513.63
Less: Accumulated depreciation	756.79	1,177.14	16.21	25.62	622.32	110.04
Net carrying amount	1,395.32	1,242.81	19.45	10.04	790.93	403.59
Depreciation for the year	87.24	65.51	1.70	4.31	1.70	110.04

Future minimum lease receivable under non-cancellable operating leases is as follow :

Period	As at 31st March, 2015 ₹ In Lakhs	As at 31st March, 2014 ₹ In Lakhs
Not later than one year	993.56	1,127.00
Later than one year but not later than five years	1,643.58	2,017.56
Later than five years	-	-
<b>TOTAL</b>	<b>2,637.14</b>	<b>3,144.56</b>

- (c) In case of Forbes Technosys Limited, the company has deployed certain Data Processing Equipments at various sites under cancellable Operating Lease whereby it is recovering composite Service Charges per transaction basis as per the agreement. Out of the above, the portion attributable towards the use of the assets which has been estimated by the management has been shown as Rental income from leased data processing equipment and the balance has been shown under Service Income.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

- (d) 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:

Period	As at 31st March, 2015 ₹ In Lakhs	As at 31st March, 2014 ₹ In Lakhs
Not later than one year	206.21	514.35
Later than one year but not later than five years	14.27	43.18
Later than five years	-	-
<b>TOTAL</b>	<b>220.48</b>	<b>557.53</b>

(e)	As at 31st March, 2015 ₹ In Lakhs	As at 31st March, 2014 ₹ In Lakhs
Lease Payments recognized in the consolidated statement of Profit and Loss		
	<b>3,436.01</b>	<b>2,665.13</b>

### 38. Earnings per share

Earnings per share is computed as under:

S.No.	Particulars	Remarks	For the year ended 31st March, 2015	For the year ended 31st March, 2014
1.	Profit for the year after adjustment of share in Associates and Minority Interest (₹ In Lakhs)		3,246.71	4,006.45
	Less : Dividend on preference shares issued by subsidiary companies outside the group (including tax thereon) (₹ In Lakhs)		(108.82)	(175.63)
	Profit for the year attributable to Equity Shareholder's	A	3,137.89	3,830.82
2.	Weighted average number of equity shares outstanding during the year	B	12,732,218	12,732,218
3.	<b>Earning per share (Nominal value of share ₹ 10)- (Basic &amp; Diluted) (₹)</b>	C=A/B	<b>24.65</b>	<b>30.09</b>

### 39. Deferred tax liabilities & assets

- (a) The components of deferred tax liabilities and assets are as under:

Nature of Timing Difference	(Liabilities) As at 31st March, 2015 ₹ in Lakhs	(Liabilities) As at 31st March, 2014 ₹ in Lakhs
Related to fixed assets	562.58	-
Voluntary retirement scheme	(113.97)	-
Provisions and liabilities to be allowed on payment basis	245.87	316.91
Transition Adjustment	(33.31)	-
	<b>661.17</b>	<b>316.91</b>

- (b) The components of deferred tax assets (net) are as under:

Nature of Timing Difference	Assets As at 31st March, 2015 ₹ in Lakhs	Assets As at 31st March, 2014 ₹ in Lakhs
Related to fixed assets	(314.80)	251.01
Voluntary retirement scheme	43.72	0.84
Provisions for doubtful debts and advances	693.89	-
Provisions and liabilities to be allowed on payment basis	445.37	410.85
Transition Adjustment	325.44	-
Brought forward loss	869.10	1,814.79
	<b>2,062.72</b>	<b>2,477.49</b>

Note:

- Where an entity has unabsorbed depreciation or carry forward losses under tax laws, deferred tax asset has been recognised to the extent that future taxable income will be available from future reversal of deferred tax liability recognised at the balance sheet date and is restricted to the extent of such liabilities. As a prudent measure, the excess deferred tax asset (net) has not been recognised in the accounts as there is no virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.
- In the case of Lux Group, Deferred tax assets amounting to ₹ 869.10 lakhs (Previous Year ₹ 1,814.79 lakhs) from tax losses carried forward are recognized as their recoverability is certain.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

### 40. Derivative instruments and unhedged foreign currency exposure

The Company enters into Foreign Exchange Contracts being derivative instruments, which are not intended for trading or speculative purposes, but for hedge purposes, to establish the amount of reporting currency required or available at the settlement date.

A) The following are the outstanding Forward Exchange Contracts entered into by the Company as at 31st March, 2015

Particulars	Purpose	As at 31st March, 2015		As at 31st March, 2014	
		₹ in Lakhs	FC in Lakhs	₹ in Lakhs	FC in Lakhs
Forward contract to sell USD	Hedge of firm commitment	638.50	USD 10.00	2,987.90	USD 50.00

B) The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Particulars	As at 31st March, 2015			As at 31st March, 2014		
	₹ in Lakhs		FC in Lakhs	₹ in Lakhs		FC in Lakhs
a) Trade Payables	7,676.31	USD	122.76	802.56	USD	13.39
	272.95	EUR	4.02	-	EUR	0.14
	1.80	CHF	0.03	1.03	CHF	0.02
	4.62	JPY	8.84	-	JPY	-
	1,204.08	SGD	26.46	1,261.40	SGD	26.59
	5.43	MYR	0.32	7.66	MYR	0.42
b) Trade Receivables	3,898.16	USD	62.34	223.75	USD	3.74
	81.25	GBP	0.88	68.29	GBP	0.69
	1,203.19	SGD	26.44	999.01	SGD	21.06
	24.40	EUR	0.36	0.37	EUR	0.00
	56.18	CHF	0.87	-	-	-
c) Short - term Borrowings						
Buyers Credit	301.94	USD	4.83	149.76	USD	2.51
d) Interest Payable						
Buyers Credit	51.90	USD	0.83	0.56	USD	0.01
e) Advances Given						
i) For import of goods	345.85	USD	5.53	152.81	USD	2.56
	3.74	EUR	0.06	0.06	EUR	0.00
f) Advances Received from customers	13.82	USD	0.22	7.55	USD	0.13
g) Cash & Bank Balances	2,046.98	USD	32.74	10.67	USD	0.18
h) Loans Payable	21,642.57	USD	346.11	85.68	USD	1.43
	14,758.41	EUR	217.53	-	EUR	-
i) Interest Accrued on Borrowings	-	USD	-	0.72	USD	0.01
j) Security Deposit furnished	440.19	USD	7.04	1.76	USD	0.03
k) Investment in Equity Shares	14,797.03	EUR	218.10	-	EUR	-
	5,712.10	AED	335.58	-	AED	-
l) Investment in Preference Shares	21,224.81	EUR	312.84	-	EUR	-
m) Loans Receivable	650.31	USD	10.40	0	USD	-
	1,560.71	SGD	34.30	-	SGD	-

#### Footnote:

FC Foreign Currency      GBP Great British Pound      EUR Euro      AUD Australian Dollar      JPY Japanese Yen  
 USD United States Dollar      CHF Swiss Franc      MYR Malaysian Ringgit      SGD Singapore Dollar



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

41 (a) Forbes Technosys Limited (FTL), a wholly owned subsidiary, had issued 1,00,00,000 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) Forbes Container Line Pte. Limited (FCLPL), a wholly owned subsidiary, had issued 21,18,750 Redeemable Convertible Preference Shares (RCPS) of SGD 1 each in an earlier year outside the group. RCPS are entitled to receive 8% cumulative preference dividends before any dividends are declared to the ordinary shareholders. FCLPL has the option to redeem these RCPS within two years from the date of allotment, 8th June, 2010. The subscribers of RCPS have the option to convert them into ordinary share on a one-for-one basis after two years from the date of allotment upto June, 2030. RCPS have no right to share any surplus assets or profits and carry no voting rights. If RCPS have not been converted into ordinary shares on the expiration of 20 years from date of allotment, it has to be fully redeemed in cash by FCLPL.

(c) Shapoorji Pallonji Forbes Shipping Limited (SPFSL), had issued 9,27,00,000 Redeemable Preference Shares 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
6-Nov-09	24,000,000	6-Nov-29	Redeemable at par
22-Mar-10	31,650,000	22-Mar-30	Redeemable at par
2-Jul-10	18,450,000	2-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.

42 a) In the case of Forbes LUX FZCO, there are long overdue balances of ₹ 16,538.80 Lakhs carried under the head non-current assets after writing off identified bad debts. In case of non recovery of the balances the unrecovered amount will be made good by the parent Company Eureka Forbes Limited. In the opinion of the Management, no further provisions are required since they are considered good and recoverable.

b) The equity funds of the company has significantly depleted resulting from losses, without considering impairment of other financial assets and trade receivables, in current over past many years with accumulated losses of ₹ 3,156.61 Lakhs (*previous year ₹ 1,924.24 Lakhs*) as of 31st December, 2014. The financial statements included in the consolidation have been prepared on the basis that the company will continue as a going concern. The

continuation of the company as a going concern is dependent upon related parent entities continuing to provide the necessary financial support and upon the operations of the company remaining profitable in the future. The shareholder company and its parent shareholder company have extended its written assurance about the injection of adequate funds in the company to maintain sufficient equity funds in the company and to ensure that all short, medium and long term liabilities are met as they fall due to carry on their businesses without any significant curtailment of operations.

43 Lux International AG group made use of the three years transition period to implement Swiss GAAP FER 16 for pension accounting and applied International Accounting Standards (IAS) 19 during the transition period. In 2014, Lux Group introduced the restatement of pension assets and liabilities as per Swiss GAAP FER 16 (Swiss Accounting and Reporting Recommendations) retrospectively w.e.f. from 1st January, 2014. Hence, pension liabilities will be affected in that the Group's economic obligations under the existing Swiss pension plans. The same has impact on consolidated Profit and Loss statement amounting to ₹ 1417.76 Lakhs.

44 In case of Forbes Container Line Pte Limited (FCLPL), the auditors' report dated 22 May 2014 on the financial statements for the previous year ended 31 March 2014 contained a qualified opinion that related to the unreconciled receivables and payables control accounts of SGD 2.56 Lakhs (equivalent to ₹ 121.51 Lakhs) and SGD 4.73 Lakhs (equivalent to ₹ 224.61 Lakhs) respectively. These control accounts recorded the freight revenue billed but not yet collected by the subsidiary from customers and the freight expenses incurred by the subsidiary but not yet paid to the suppliers. The subsidiary acts as an agent on behalf of the Company and the revenue collected and expenses paid by the subsidiary is on behalf of the Company. As at 31 March 2014, the receivables and payables control accounts were SGD 2.56 Lakhs (equivalent to ₹ 121.51 Lakhs) and SGD 4.73 Lakhs (equivalent to ₹ 224.61 Lakhs) respectively. These amounts represented transactions which had been recorded by the subsidiary, but which had not been matched and reconciled with the respective receivables from customers and payable to suppliers in the subsidiary's financial statements. In addition the Company, as principal, had not recognised these amounts in its own financial statements, as either a receivable or payable to the subsidiary with a corresponding entry to revenue or expense in its statement of comprehensive income.

During the current financial year, FCLPL and the subsidiary undertook an exercise that resolved in the following:

- the control accounts in the subsidiary's accounts was reconciled with the Company's accounts as at 31 March 2014, and
- other misstatements have been corrected in the financial statements of the Group by recognising the impact in the consolidated profit and loss statement.

45 Forbes Enviro Solutions Limited (subsidiary) has made an application, in the matter of Sections 391 to 394 of the Companies Act, 1956 for the Scheme of Amalgamation of Waterwings Equipment Pvt. Ltd. & Radiant Energy Private Limited into Forbes Enviro Solutions Limited to the Hon'ble High Court, Mumbai on 30th January 2013. The process for the amalgamation is expected to be completed during the financial year 2015-16.

46 During the year, pursuant to the notification of Schedule II to the Companies Act, 2013, the Group revised its estimated useful life of some of its assets. Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company has fully depreciated the carrying value of assets, where the remaining useful

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

life of the assets was determined to be NIL as on April 1, 2014 and has adjusted an amount of ₹ 766.52 Lakhs (net of deferred tax of ₹ 358.75 Lakhs) against the opening deficit in consolidated statement of Profit and Loss under Reserves and Surplus. The depreciation expense in the consolidated statement of Profit & Loss Account for the year is lower by ₹ 263.89 Lakhs consequent to the change in the useful life of the assets. Further, based on technical certification, the Group has segregated few assets into land and building element. This has resulted in a credit of ₹ 223 Lakhs in representing depreciation charged on the land element in the earlier years.

Further, the Group also changed its method of depreciation for certain

category of fixed assets from written down value to Straight Line Method. Based on an evaluation carried out by the management in the current year, these fixed assets are now being depreciated on 'straight line method' over the expected useful life of the fixed assets as against written down value method. This change in accounting policy has been made as it would result in a more appropriate presentation of the financial statements. As a result of this change, depreciation has been calculated retrospectively on straight line method and accordingly the Company has recorded reversal of depreciation expense amounting to ₹ 4,482.95 Lakhs pertaining to previous years in the current year's consolidated Statement of Profit and Loss.

### 47. Additional information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary/ Associates / Joint Ventures

Name of the entity		Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
		As % of consolidated net assets	Amount ₹ in Lakhs	As % of consolidated profit or loss	Amount ₹ in Lakhs
<b>Parent</b>					
	Forbes & Company Limited	-5.69	-2,520.88	-36.93	-1,199.02
<b>Subsidiaries</b>					
<b>Indian</b>					
1	Eureka Forbes Limited	176.49	78,239.37	1,935.62	62,844.50
2	Aquamall Water Solutions Limited	-58.39	-25,886.50	-1,469.22	-47,701.77
3	Forbes Facility Services Private Limited	1.81	802.10	11.02	357.66
4	Aquadiagnostics Water Research & Technology Center Limited	-0.45	-199.34	-0.45	-14.61
5	Forbes Enviro Solutions Limited	-0.00	-2.14	-0.00	-0.11
6	Waterwings Equipments Private Limited	-4.28	-1,896.09	-59.40	-1,928.54
7	Radiant Energy Systems Private Limited	-0.37	-166.04	-10.13	-328.85
8	Euro Forbes Financial Services Limited	-0.00	-1.76	-0.01	-0.17
9	E4 Development & Coaching Limited	-0.00	-0.00	1.93	62.68
10	Volkart Fleming Shipping & Services Ltd	1.09	482.02	-1.41	-45.84
11	Forbes Bumi Armada Offshore Ltd	7.63	3,380.79	107.74	3,498.12
12	Forbes Campbell Finance Ltd	0.44	196.27	-81.62	-2,649.99
13	Forbes Bumi Armada Ltd	1.25	554.35	-75.86	-2,463.10
14	Forbes Campbell Services Ltd	0.01	2.54	-1.35	-43.78
15	Forbes Edumetry Ltd	-0.00	-0.28	0.26	8.40
16	Forbes Technosys Ltd	5.65	2,505.68	7.75	251.68
17	Shipping Corporation of India Forbes Ltd	14.78	6,550.71	-34.50	-1,120.01
18	Campbell Properties & Hospitality Services Limited	0.01	3.13	-0.06	-1.87
<b>Foreign</b>					
1	Forbes Container Line Pte Ltd	-2.33	-1,034.19	-18.65	-605.66
2	EFL Mauritius Limited	6.07	2,692.06	-0.67	-21.83
3	Euro Forbes Limited, Dubai	-5.22	-2,314.37	-56.94	-1,848.61
4	Forbes Lux FZCO	-3.88	-1,720.20	7.37	239.15
5	Lux International AG (LIAG) Group	3.73	1,666.75	-25.28	-821.12
6	Forbes Lux International AG (FLIAG) Group	-15.25	-6,760.35	-23.23	-754.18
7	Euro Forbes International Pte Limited	-	-	1.32	43.01
<b>Minority Interests in all subsidiaries</b>		-13.69	-6,069.96	-14.10	-457.83

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015**

Name of the entity		Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
		As % of consolidated net assets	Amount ₹ in Lakhs	As % of consolidated profit or loss	Amount ₹ in Lakhs
	<b>Associates (Investment as per the equity method)</b>				
	<b>Indian</b>				
1	The Svadeshi Mills Company Limited	-	-	-	-
2	Nuevo Consultancy Services Limited	-	-	-	-
	<b>Foreign</b>				
1	Euro P2P Direct (Thailand) Co. Limited	-	-	-	-
	<b>Joint Ventures (as per proportionate consolidation)</b>				
	<b>Indian</b>				
1	Shapoorji Pallonji Forbes Shipping Limited (Formerly known as SCI Forbes Limited) (upto 30th November 2014)	-	-	-10.44	-338.87
2	Nypro Forbes Products Ltd	-0.00	-0.00	80.42	2,611.08
3	Forbes Aquatech Limited	-3.96	-1,753.68	-60.30	-1,957.73
4	Infinite Water Solutions Private Limited	-4.34	-1,925.53	-67.23	-2,182.63
5	Forbes Concept Hospitality Services Private Limited	0.09	38.64	0.07	2.20
6	Aqualgnis Technologies Private Limited	-0.53	-236.35	-5.23	-169.81
7	Forbes G4S Solutions Private Limited	-0.01	-2.78	-0.01	-0.25
8	Eurolife Regen Private Limited	-0.23	-102.33	-0.35	-11.22
	<b>Foreign</b>				
1	Edumetry INC	-0.43	-189.66	-0.13	-4.37

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

48. 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
<b>A Investments made</b>					
1 Water Quality Association	0.71	0.71	N.A.	N.A.	WQA India is a non profit organization and has been setup in India for monitoring the quality of water and water purifiers. Company is one of subscribers to this organization being a leading player in water purifier business.
2 SPS FINQUEST Limited	187.20	187.20	N.A.	N.A.	As part of the Company's investment strategy related to its business, it was decided to invest in the financial service sector.
<b>B Loans given</b>					
1 Svadeshi Mills Company Limited	-	4,391.78	2	N.A.	General corporate purpose
2 Coromandal Garments Limited	-	364.99	2	N.A.	General corporate purpose
3 Edumetry Inc. USA	-	72.03	2	N.A.	General corporate purpose
4 Volkart Fleming Shipping & Services Limited	-	65.00	On Demand	12.00	General corporate purpose
5 Forbes Edumentry Limited	-	36.26	On Demand	N.A.	General corporate purpose
<b>C Guarantees given</b>					
1 Forbes Bumi Armada Offshore Limited	-	2,801.55	N.A.	N.A.	N.A.
2 Forbes Technosys Limited	-	4,570.00	Continuing	N.A.	Working Capital
3 Forbes Technosys Limited	-	7,500.00	3 years	N.A.	General corporate purpose
4 Forbes Technosys Limited	5,000.00	5,000.00	3 years	N.A.	General corporate purpose
5 Forbes Technosys Limited	-	150.00	N.A.	N.A.	N.A.

### Note:

#### 1. Security given for loan taken by Armada D1 Pte. Limited

Forbes Bumi Armada Offshore Limited (FBAOL) has obtained on lease FPSO from Armada D1 Pte. Ltd. (ADPL). ADPL, for financing the FPSO vessel cost, has borrowed USD 2,764 Lakhs by way of term loan and letter of credit facilities from a consortium of banks / financial institutions against which the following security has been given:

- Land situated at Survey No. 36A of Mauje Pali of Taluka Sudhagad, Dist. Raigad purchased for a consideration of ₹ 13 Lakhs (Refer Note 13)
  - All the rightst of FBAOL under the charter higher agreement with ONGC dated August 10, 2013.
- Provided as doubtful
  - The corresponding figures of the previous year has not been given as section 186 of the Companies Act, 2013 is applicable with effect from April 1, 2014.

49. Previous year figures have been regrouped / reclassified wherever necessary to correspond with the current year's classificaton / disclosure.

	SHAPOOR P. MISTRY ASHOK BARAT	Chairman Managing Director
	S.L. GOKLANEY T.R. DOONGAJI KAIWAN D. KALYANIWALLA D. SIVANANDHAN JIMMY J. PARAKH JAI L. MAVANI AMEETA CHATTERJEE K. DASARATHARAMAN	} Directors
SUNETRA GANESAN Chief Financial Officer		
PANKAJ KHATTAR Company Secretary	Mumbai, 26th May, 2015	

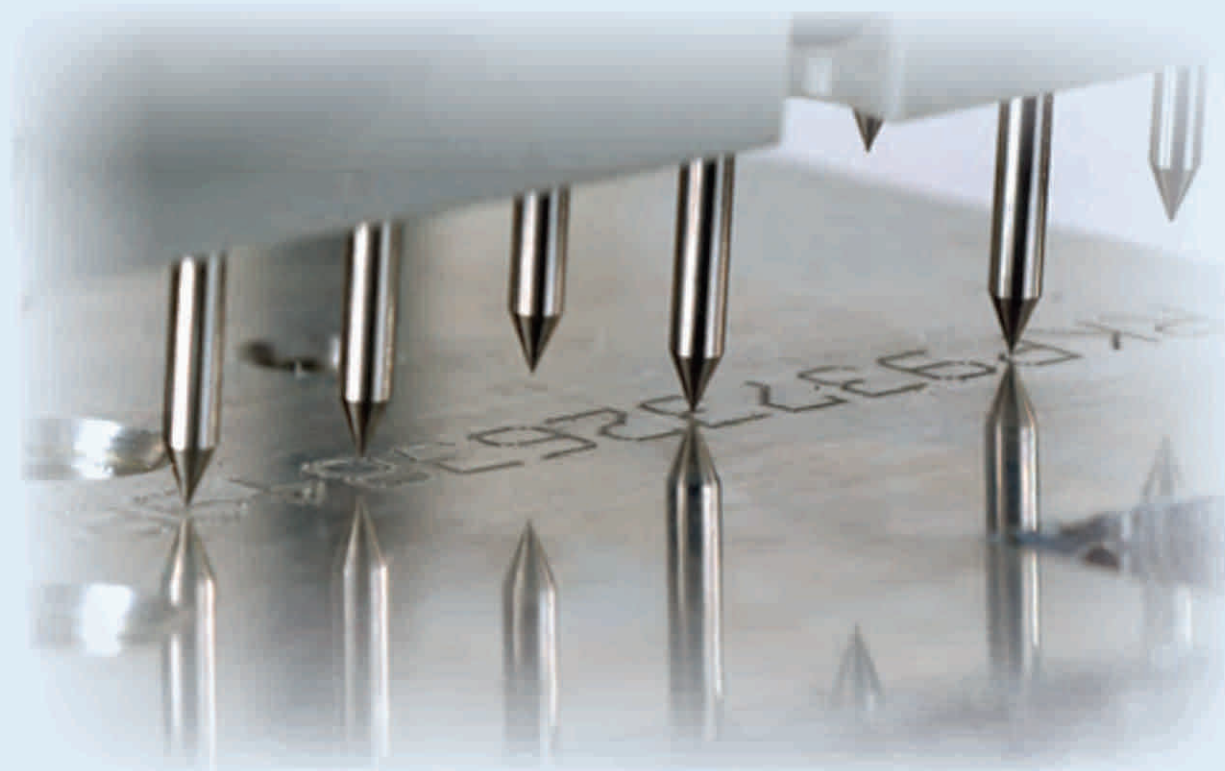




**“Marking & Traceability Solutions and Industrial Automation”**



**“e-Lobby of Corporation Bank using Forbes Technosys kiosks”**



## FORBES & COMPANY LIMITED

CIN: L17110MH1919PLC000628

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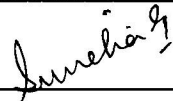
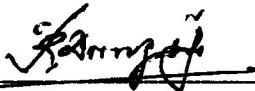
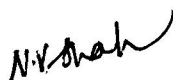
**FORM A**

**Format of covering letter of the annual audit report to be filed with the stock exchanges**

1.	Name of the Company	Forbes & Company Limited
2.	Annual Standalone financial statements for the year ended	31st March, 2015
3.	Type of Audit observation	<p><b>Other Matter under Legal and Regulatory :</b></p> <p>We draw attention to Note 49 to the standalone financial statements relating to loans given to The Svadeshi Mills Company Limited and its subsidiary, Coromandel Garments Limited, aggregating ₹ 4,756.77 lakhs in respect of which full provision has been made, arising inter alia from our enquiry under Section 143(1)(a) of the Act.</p> <p><b>Relevant Note:</b></p> <p>Loans and advances to related parties includes interest free loans, relating to which full provision exists in books of accounts, aggregating ₹ 4,756.77 Lakhs (Secured ₹ 4,716.78 Lakhs) as at 31st March, 2015 [Previous year: ₹ 4,756.77 Lakhs (Secured ₹ 4,716.78 Lakhs)] granted to The Svadeshi Mills Company Limited and its subsidiary Coromandal Garments 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.</p>





4.	Frequency of observation	Continued from March 2001
5.	To be signed by- <ul style="list-style-type: none"> <li>• Managing Director</li> <li>• Chief Financial Officer</li> <li>• Audit Committee Chairman</li> <li>• Auditor of the company</li> </ul>	 Ashok Barat _____  Sunetra Ganesan _____  T.R. Doongaji _____ <p>Refer our Audit Report dated 26<sup>th</sup> May, 2015 on the standalone financial statements of the Company</p> <p><b>For DELOITTE HASKINS &amp; SELLS LLP</b> Chartered Accountants (Firm's Registration No. 117366W/W-100018)</p>  <b>Nilesh Shah</b> Partner (Membership No. 49660) <b>MUMBAI 30<sup>th</sup> July, 2015</b>



**FORM B**

**Format of covering letter of the annual audit report to be filed with the stock exchanges**

1.	Name of the Company	Forbes & Company Limited
2.	Annual Consolidated financial statements for the year ended	31st March, 2015
3.	Type of Audit qualification / observation	<p><b><u>Qualifications :-</u></b></p> <p>Attention is invited to Note 2(B)(xii) to the consolidated financial statements, for non- inclusion of effect, if any, of equity accounting for the Group's investment of ₹ 177.75 lakhs in an associate, namely, The Svadeshi Mills Company Limited, in respect of which full provision has been made, in the absence of the financial statements being made available. This matter was also qualified in our report on the consolidated financial statements for the year ended March 31, 2014.</p> <p><b><u>Emphasis of Matter :-</u></b></p> <p>(a) Attention is invited to Note 31(c) and 42(a) respectively of the consolidated 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 auditors have drawn emphasis of matter in their report :-</p> <p>(i) regarding the uncertainty related to the outcome of the lawsuit filed against the subsidiary namely, Eureka Forbes Limited by IBM India Private Limited.</p> <p>(ii) regarding an overseas subsidiary, namely, Forbes Lux FZCO, stating that although the balances under the head non-current assets and trade receivables amounting to ₹16,538.80 lakhs (As at March 31, 2014 ₹16,412.12 lakhs) are unsecured and long overdue, they are considered good and recoverable and no provision is considered necessary by the management. In the event of non-recovery of these balances, the unrecovered amount will be made good by the immediate parent namely, Eureka Forbes Limited.</p>

*JP*

*JP*

		<p>(b) Attention is invited to Note 31(g) to the consolidated financial statements, in respect of a subsidiary group, namely, Forbes Container Line Pte Limited Group, where the consolidated financial statements have been audited by other auditors, the auditors have drawn an emphasis of matter in their report regarding the uncertainty related to the outcome of the foreign tax assessment on the Group and Company's income receipts from India for the financial years ended March 31, 2009 to 2012.</p> <p>Our opinion is not modified in respect of these matters.</p>
4.	Frequency of qualification / observation	<p><b><u>Qualifications :</u></b> Continued from March 31, 2010</p> <p><b><u>Emphasis of Matter :-</u></b> (a) (i) First time (ii) Continued from March, 2013 (b) First time</p>
5.	Draw attention to relevant notes in the annual financial statements and management response to the qualification / observation in the directors report:	<p><b><u>Qualifications :</u></b> <b>Relevant Note in the Consolidated Financial Statements (Note 2(B)(xii)).</b> 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.</p> <p><b>Management Response:</b> Assets of Svadeshi continued to be in the hands of the Official Liquidator, High Court, Bombay. An application to get Svadeshi out of liquidation was filed with the Hon'ble High Court, Bombay, inter alia, praying for permanent stay on the Order passed by the High Court ordering winding up of Svadeshi and to hand over to the applicants, the entire undertaking of Svadeshi.  The High Court dismissed the application and directed the Official Liquidator to proceed expeditiously for winding up of Svadeshi. The Company filed an appeal</p>




before the Division Bench against the Order of the High Court which was dismissed. The Company has filed a Special Leave Petition (SLP) before the Hon'ble Supreme Court (SC). The SC allowed notice to be issued to the remaining respondents. The SC also directed all the parties to maintain status quo with regard to immoveable properties of the Company.

The Company, being a secured creditor, with adjudicated dues by the Official Liquidator, expects to receive the dues along with nominal interest thereon. The records of the Svadeshi Mills Company Limited are in the custody of Official Liquidator.

**Emphasis of Matter :-**

**(a) (i) Relevant Note in the Consolidated Financial Statements(Note No. 31(c))**

'In the year 2009,Eureka Forbes Limited (the company) entered into a five year tenure agreement with IBM India Private Limited for outsourcing of the company's Information Technology infrastructure and Business transformation requirements. The desired benefits as laid down under the agreement were not being derived by the company even after completion of three years of the arrangement with IBM. Disputes have therefore arisen and the agreement has been terminated. IBM has raised a claim of ₹ 7,500 lakhs on the Company & the Company has raised a counter claim of ₹ 26,150 lakhs on IBM. The matter has been referred to Arbitration and the arbitration proceedings have commenced in the financial year 2012-13 and the matter is sub-judice. In the opinion of the management, considering the claim of the company against claim by IBM, liability provision is not required in the books of account.

**Management Response:**

The above note is self explanatory

**(ii) Relevant Note in the Consolidated Financial Statements (Note No. 42(a))**

In the case of Forbes LUX FZCO, there are long

overdue balances of ₹ 16,538.80 Lakhs carried under the head non-current assets after writing off identified bad debts. In case of non recovery of the balances the unrecovered amount will be made good by the parent Company Eureka Forbes Limited. In the opinion of the Management, no further provisions are required since they are considered good and recoverable.

**Management Response:**

The receivables which are overdue are being analysed every year and the non recoverable portion has been identified and written off as per the internal norms. We have completely written off the receivables of countries where we have exited. The complete recovery of these outstanding is expected in the next 5 to 6 years.

**(b) Relevant Note in the Consolidated Financial Statements (Note No. 31(g))**

Forbes Container Line Pte. Ltd, Singapore, received orders of tax assessment (the "Orders") from the Income Tax Authority of India ("ITAI") in respect of the presumptive taxation imposed on the Company's gross receipts from shipping business in India in relation to financial years ended 31st March 2009 to 2012. Based on these Orders, a total income tax has been imposed on 7.5% of gross receipts earned by the Company for the respective financial years including interest payable thereon amounting to approximately S\$7.60 Lakhs (equivalent to ₹365 Lakhs). The ITAI has assessed the Company as a non-vessel operating common carrier receiving income from its shipping business in India. The ITAI has further considered the Company to have a permanent establishment (PE) in India on the ground that the Company's ultimate management and control is situated in India since the Company is a wholly owned subsidiary of Forbes & Company Limited, a company incorporated in India. The ITAI therefore concludes that the Company is not





		<p>eligible for the claimed exemption benefit under the double taxation avoidance agreement between India and Singapore and their income is chargeable to tax in India.</p> <p>The Company has filed an objection and made an appeal for these tax assessments, and the outcome is pending as on the balance sheet date.</p> <p>As of 31st March 2015, the Company has paid a total of S\$0.33 Lakhs (equivalent to ₹ 18 Lakhs) in relation to the Orders, which are included in other current assets as disclosed in Note 14."</p> <p><b>Management Response:</b></p> <p>The company has filed second appeal with the Income tax appellate tribunal, Mumbai (ITAT) and the hearing is fixed on 11<sup>th</sup> August, 2015.</p>
6.	Additional comments from the board / audit committee chair:	None
7.	<p>To be signed by-</p> <ul style="list-style-type: none"> <li>Managing Director</li> <li>Chief Financial Officer</li> <li>Audit Committee Chairman</li> <li>Auditor of the company</li> </ul>	<p>Ashok Barat _____</p> <p>Sunetra Ganesan _____</p> <p>T.R.Doongaji _____</p> <p>Refer our Audit Report dated 26<sup>th</sup> May, 2015 on the consolidated financial statements of the Company</p> <p>For <b>DELOITTE HASKINS &amp; SELLS LLP</b> Chartered Accountants (Firm's Registration No. 117366W/W-100018)</p> <p><i>N.V. Shah</i> <b>Nilesh Shah</b> Partner (Membership No. 49660) <b>MUMBAI 30<sup>th</sup> July, 2015</b></p>